

# The NATIONAL UNDERWRITER

## District of Columbia

The District of Columbia, seat of the Federal Government since 1800, began existence in 1791 as the "Territory of Columbus."

Our nation was first to plan a capital ex-

clusively for its Government. Pierre Charles

L'Enfant at the recommendation of President Washington

was assigned the task of designing the future Capital of

the Nation. The resulting city of Washington! Volumes have

been written about Washington, and still the story of this great city

remains untold. It must be seen; it must be felt by contact to realize its

greatness. It is an inspiration. It is the soul of America; the spirit of sac-

rifice, the vision of the future expressed in marble and granite, bronze and

copper, flowers and trees. Government is the big word here. Insurance should

have a splendid chance where so many people have steady employment.



**CRUM & FORSTER**  
MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

UNITED STATES FIRE INSURANCE CO.

THE NORTH RIVER INSURANCE CO.

WESTCHESTER FIRE INSURANCE CO.

THE ALEMANNIA FIRE INSURANCE CO. of Pittsburgh.

Organized 1824

Organized 1822

Organized 1837

Organized 1868

RICHMOND INSURANCE CO.

WESTERN INSURANCE CO., U. S. Branch.

BRITISH AMERICA INSURANCE CO., U. S. Branch.

SOUTHERN FIRE INSURANCE CO., Durham, N. C.



Organized 1836

Incorporated 1851

Incorporated 1833

Incorporated 1923

THURSDAY, FEBRUARY 21, 1946

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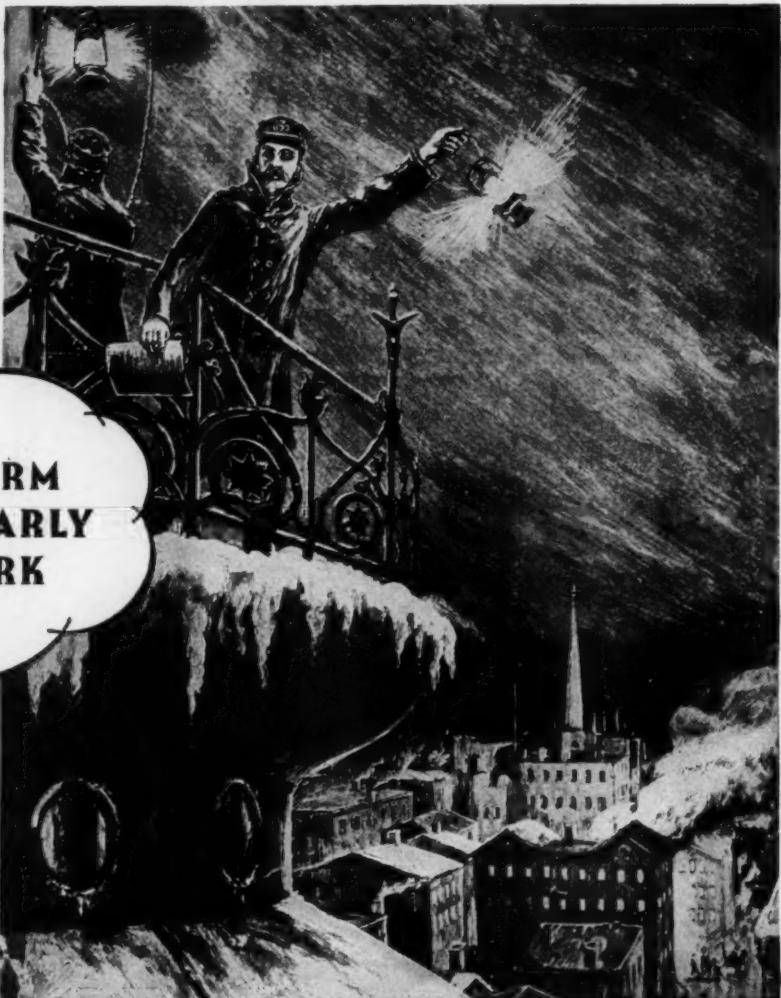
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## "TWO ALARM FIRE" IN EARLY NEW YORK

Before the invention of modern fire alarm systems, this constituted the fire-guard of our largest city.



from the Bettmann Archive

Primitive methods were the rule in those days, for there was no other choice. As better methods evolved, progressive people adopted them—and others followed.

It has been that way with fire insurance, too.

Progressive NATIONAL FIRE GROUP agents lead in rendering better service. This service is augmented by the wholehearted support of these companies which have ever been foremost in adopting and adapting better insurance coverage.

# The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS AND TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT  
175 W. JACKSON BLVD., CHICAGO 4, ILL.

PACIFIC DEPARTMENT  
234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS



FEBRUARY 21, 1946

50th Year. No. 8

## Furriers Customers Contract Revised, Rates Up Mar. 1

### Conditions of Storage Receipts Included in Policy. Territory Cut

A general increase in furriers customers rates and a new policy form will be put into effect March 1. Both the Inland Marine Underwriters Association and the Inland Marine Insurance Bureau are taking this action and it is assumed that most independent carriers will follow suit, as loss experience in storage vaults, particularly in the East, has been very unfavorable.

Most companies have instructed their agents to have a new proposal form completed at once, giving details of the furrier's premises, storage locations, protective devices, vaults, etc., and are issuing new policies effective March 1, at the new rate. In most cases, these policies are being written to expire at the same date as the old policy. The details of the rate change are not given, but it is believed that some of the increases will be substantial.

#### Storage Agreement Requirements

Some changes have been made in the policy itself, particularly reducing coverage from world wide to United States and Canada and modifying the exclusion of damage caused by work on the customers' furs so that explosion damage is covered under these conditions, as well as fire. The most important change, however, is that requirements for storage receipts given to customers are incorporated in the policy. Each receipt must provide that the customer accepts it as correct in all respects, unless the insured (furrier) is notified in writing within 10 days, that the furrier will effect insurance for the benefit of the customer on the listed goods for the declared value of the goods, that this value must be the limit of the furrier's liability, that the provisions of the storage receipts shall be for the benefit of the insurance company to the same extent that they benefit the furrier, that the receipt shall not extend in coverage or amount the insurance provided by the policy and that the receipt shall supersede any temporary or interim receipt given by the furrier.

While it was always the intent of the companies writing furrier's customers insurance to confine coverage to insureds issuing receipts of this nature, there has been considerable laxity in this respect. Many furriers, it is understood, had been careless in their storage receipts and had not given themselves or their insurance companies full protection against liability. The new provision makes it mandatory to do so, since failure to incorporate these terms in a storage receipt will amount to a breach of the policy.

#### Aggregate Liability Limit

Under the new policy, there are three or more limits of liability, in addition to an aggregate limit. There is a limit on each location used for storage of customer's property, which is subdivided into a limit on property in storage enclosures and outside of these enclosures; a limit on locations not used for storage of customer's property (such as showrooms, workrooms, etc.) and a

## Attendance Is 1,200 at Phila. Insurance Society Banquet

PHILADELPHIA—Dean H. J. Loman of the American Institute for Property & Liability Underwriters welcomed more than 1200 guests at the annual banquet of the Philadelphia Insurance Society. The guest of honor, Commissioner Neel of Pennsylvania, stated that by November, 1946, bills would be ready for the Pennsylvania legislature's approval in accordance with public law 15.

Ira C. Eaker, deputy commanding general, army air forces, the guest speaker, gave an interesting talk on the reasons for our success in the two world wars. He recommended measures to protect ourselves in future wars, if any. These include a professional State Department able to cope with any situation, together with an adequate central intelligence agency, as well as a unified armed force, ready to move on an hour's notice under single control.

E. Walter Helm, Jr., vice-president New Amsterdam Casualty and president of the society, was in charge of the dinner. Honored guests included Presidents W. H. Cuthart, Germantown Fire; J. H. R. Timanus, Philadelphia Contributionship; Olin Brooks, State of Pennsylvania; F. H. Thomas, Fire Association; J. E. Gilliams, Camden Fire; W. S. Kite, Manufacturers Casualty; M. J. Broderick, Eureka Casualty; Ludwig Lewis, vice-president of North America; John Grady, U. S. manager General Accident; Dr. David McCahan, University of Pennsylvania; M. V. White, president Pennsylvania Association of Insurance Agents, and Howard Cole, president Philadelphia Agents Association.

## Second Purdue U. Arson Detection School April 8-10

LAFAYETTE, Ind.—Purdue University will hold another arson investigation and detection training course here April 8-10, under the direction of the Indiana Fire Service Training Schools and the university's Public Safety Institute. The first course last year was outstandingly successful, drawing 137 registrants from 15 states.

Prof. J. L. Lingo, director of the Indiana fire schools, will again be in charge. This year's course, in addition to developing newer trends and practices in arson investigation, will emphasize the responsibility of the various agencies dealing with arson and work for greater cooperation between them.

Among the subjects to be discussed this year are: "What is the Crime of Arson?" "How Serious is the Arson Problem?" "Determining the Cause of the Fire"; "How Can We Prove it Was Arson?" "Collection and Preservation of Evidence"; "Motives for Arson"; "Classification and Types of Fire Setters"; "The Juvenile Arsonist"; "Use of the Laboratory as an Aid in Arson Cases"; "Securing Information from Witnesses"; "Interrogation of Suspected Arsonists"; "So You Are Going to be a Witness"; "Relations of the Police and Firemen with the Press"; "What Evidence is Admissible?" and "Getting Convictions in Arson Cases."

limit of liability while the property is in transit. Under the new rules, there is also an aggregate limit of liability for any one loss. The aggregate limit is less than the total of the other limits specified in the policy, although obvi-

(CONTINUED ON PAGE 14)

## January Fire Loss Highest Single Month in History

NEW YORK—Fire losses in the U. S. in January were estimated at \$49,808,000, an increase of \$4,943,000 or 11% over losses of \$44,865,000 in January, 1945, according to estimates announced by the National Board. The January, 1944, figure was \$38,572,000. This figure is the highest on record since the National Board has been recording estimated monthly losses. Estimates are based on incurred losses reported by member companies, plus an allowance for unreported and uninsured losses.

January figures represent an increase of \$330,000 or 1% more than losses of \$49,478,000 reported in December, 1945.

## Put Finishing Touches on Buyers' Program

NEW YORK—The program of the insurance conference of the American Management Association at the Hotel New Yorker here March 11-13, has been completed. Features not already reported include the following.

The subject of "What's Ahead in Use and Occupancy?" will be discussed by Henry C. Klein, secretary of New York Underwriters.

Adolph Held, director of welfare and health benefits of the International Ladies Garment Workers union, will talk at the Monday luncheon on the employee viewpoint of group hospitalization and medical care. The group plan under Mr. Held's direction includes 330,000 employees and the talk will cover what the worker needs and wants, what the union does about it, and what in the administration of the plan is useful to industry.

Among the questions which will be treated at the first afternoon's question and answer session of all lines of insurance are:

Is there a U. & O. reporting form to take care of the assured's needs in excess of the provisional amount specified in the policy?

What about elimination of the limit for the liability forms of coverage and writing the contract to protect the insured against all claims whether bodily injury or property damage?

Why don't fire companies write excess insurance or insurance with a deductible?

Are the fire companies making greater use of the right of subrogation to recoup their losses from buildings, tenants or others whose negligence may have caused the fire?

What are the best methods of computing the premium and assessment in calculating a recoverable loss?

What will be the effect on U. & O. coverage of the rising labor costs and inflation of all values and expenditures in computing coverage?

On the Tuesday morning program Curtis B. P. Carvalho, vice-president of American International Underwriters, will discuss American insurance abroad including advantages of dealing with American insurance companies when a firm is faced with problems of taxation, exchange and loss settlements.

#### Would Increase Va. Benefits

A bill amending the Virginia workers' compensation law, increasing compensation from 55 to 60% of the average weekly wage and lifting maximum weekly benefits from \$18 to \$20 has passed the Virginia house and was before the senate this week.

## Dept. of Commerce to Aid Insurance Expansion Abroad

### New Activity Is Headed by Jerome Sachs, Once of N. Y. Dept.

WASHINGTON—The United States government is going to promote the cause of American insurance abroad. To this end, there is being set up in the Department of Commerce an insurance division, headed by Jerome Sachs, formerly of the Treasury Department. The division is being located temporarily in Temporary Building T, at the corner of 14th street and Constitution avenue here, prior to early removal to the main Department of Commerce building across the street. The division is part of the special trade services in the department's world trade promotion office.

Meanwhile, W. M. Friedlaender, chief of special trade services in the department, has announced postponement to an indefinite date of the conference scheduled for last Thursday here to explore proposals to provide coverage under automobile policies in Latin American countries. A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, and representatives of various United States insurance groups, have been working with department representatives, including Mr. Sachs, on arrangements for the conference.

Officials say it is developing into a large affair and it is indicated the department wanted more time for preparation. The gathering originally scheduled to discuss informally problems concerning auto coverage in Mexico will be something bigger and broader later on, it is stated.

Pending formal announcement of the establishment of the new Department of Commerce insurance division and the broad outline of its objectives, officials state that it is planned to try to service and assist American insurers, primarily, in expansion of business into foreign fields; not in the domestic field, it is specified.

Interests of foreign companies wishing to operate in the American field will also be looked after, officials say, in the general interest of foreign trade. Officials say they plan to do what they can to be helpful, both ways.

To help and cooperate with the insurance division in its work, it is planned to set up an advisory committee from American underwriters, an over-all body, nation-wide in representation. Effort will be to try to cover in this group all United States insurance interests—life, casualty, fire, marine, auto, etc., officials say, and including interests in the east, middle west, the south and on the Pacific Coast.

Mr. Sachs recently returned from Germany where he was insurance consultant to the SHAEF economic committee.

Prior to 1942 he was with the liquidation bureau of the New York department.

It is understood Association of Casualty & Surety Executives want the Department of Commerce insurance division to make a study of the laws, regulations and requirements of foreign governments with respect to insurance, starting with South American countries.

(CONTINUED ON PAGE 8)

# Agents' Commission Issue Is Linked to Rate Control

**Superintendent Jackson of Missouri Sees Excess Scale Doomed**

ST. LOUIS—Superintendent Jackson trod on delicate ground during the course of his address on public law 15 at a luncheon meeting of the Insurance Board of St. Louis when he boldly discussed a probable reduction of agency commissions, especially in excess commissions in the larger cities.

"The Sherman act overshadows all others in its implications of federal regulation," he said. "This act brings to mind the rate-making powers of the Interstate Commerce Commission, but the insurance fire and casualty rating bills which must be enacted by the various states to comply with public law 15 must cover a broader field in rate fixing than the I.C.C. has covered, and include acquisition costs and agents' commissions, on the theory that you can't regulate the premium dollar without regulating the cost dollar. This may mean the end of excessive commissions some companies have paid for business."

## Cites Bay State Example

"For instance, before the compulsory auto insurance act became effective in Massachusetts the agent's commission was 25%. Thereafter in making the rates, the commissioner took into consideration the agent's commission and reduced it to 15% and later to 12% for a general agent. And in the fixing of rates on workmen's compensation business in the same state, the commissions were taken into consideration, and in some instances were fixed as low as 10%, subject to downward graduation depending upon the size of the premium. These are matters that vitally affect this



Owen G. Jackson

group of producers. In other words, when there was a demand for the reduction of rates, the agent was thrown into the picture and had to take a reduction in commissions. These matters are of interest in the enactment of rating bills which must be enacted to avoid federal control, if for no other reason than to see that your own interests are protected."

Mr. Jackson cited the I.C.C. as a "horrible example" of what the insurance industry may expect if federal regulation is imposed upon it. He said that during the I.C.C.'s 58 years most every railroad has been in receivership many times, and it has taken two world wars to get them out. Costly experiments in regulating and rate-making by the commission have imposed a stupendous burden on the railroads which has ultimately fallen upon the citizen and taxpayer, he asserted.

## Realized Need for Bureaus

"When Congress enacted public law 15 it did so with the full knowledge that most insurance companies do not have a sufficient volume of business to render their own experience a safeguard for the promulgation of rates, and for this reason was willing to permit regulated collaboration by the companies in rate-making under a theory contrary to that of the Sherman act. After much study, discussion and debate, I believe it is now the consensus of the National Association of Insurance Commissioners and the all industry group that the only state legislation we need to meet the implications of PL 15 is affirmative regulation of legitimate, cooperative and collaborative practices affecting the price structure of insurance. In other words, there seems to be a complete agreement that once the problems posed by the Sherman act are solved, that is, the enactment by the states of proper rating bills, with authority vested in insurance commissioners to effectively enforce, practically all of the difficulties facing the business will have been overcome. And this, for the reason that the problems arising under the Clayton, Robinson-Patman and Sherman acts are so closely related to rate-fixing, that is, unfair discriminatory practices which destroy competition, rebating and unfair trade practices, that it can be covered in one bill. The matter of interlocking directors with which the Clayton act deals, it is believed, can be solved by the states in a separate bill." He added that it is certain that insurance will have to meet and solve many changes in the next few years, and that the moratorium of PL 15 may end in a division of authority between the federal government and the states in the matter of regulation and taxation.

N.A.I.C., he declared, believes that to permit the use of rates by negative action is not regulation by "affirmative action."

At the same meeting, Paul Robyn, who recently retired as a vice-president of the Insurance Agency Company, after having been active in the insurance business in various capacities since 1869, was presented with a plaque emblematic of a life membership in the board. The presentation was made by President Louis Trout.

## Fire Company 1945 Statement Figures in Tabloid

Assets	Inc. in Assets		Reins. Res.		Inc. in Reins. Res.		Capital or Stat. Dep.		Surplus		Inc. in Surplus		Net Prems.		Losses Paid		Loss Ratio %	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Amer. Motorists Fire.....	577,949	74,735	114,570	13,627	250,000	100,000	.....	.....	258,418	65,282	25.2	.....	.....	.....	.....	.....	.....	
Bankers & Shippers.....	8,416,267	612,327	3,716,366	244,470	1,000,000	2,886,628	397,842	3,655,379	1,980,752	53.1	.....	.....	.....	.....	.....	.....	.....	
Birmingham Fire of Pa.....	2,673,628	185,320	327,695	23,273	1,000,000	1,254,626	139,207	251,968	116,436	46.1	.....	.....	.....	.....	.....	.....	.....	
Buckeye Union Fire.....	1,452,750	219,881	764,410	156,233	200,000	374,605	17,741	765,293	281,341	36.8	.....	.....	.....	.....	.....	.....	.....	
Fidelity & Guaranty Fire.....	14,114,320	1,912,992	7,765,518	1,258,401	1,000,000	3,000,000	.....	9,196,487	4,247,639	46.1	.....	.....	.....	.....	.....	.....	.....	
First Kentucky Fire.....	297,484	31,866	.....	.....	110,000	139,873	28,812	10,243	5,590	54.5	.....	.....	.....	.....	.....	.....	.....	
First National.....	3,412,528	370,300	1,566,752	242,386	1,000,000	557,194	69,663	1,375,032	467,816	34.0	.....	.....	.....	.....	.....	.....	.....	
General.....	33,782,859	4,260,897	15,704,817	1,417,453	1,000,000	12,569,983	2,482,696	16,100,703	7,064,337	43.9	.....	.....	.....	.....	.....	.....	.....	
Mercury.....	8,997,317	553,186	3,658,007	388,234	2,000,000	2,198,185	—127,416	4,126,114	1,929,821	46.77	.....	.....	.....	.....	.....	.....	.....	
National Grange Fire.....	759,959	40,506	170,443	—47	263,000	186,785	16,787	215,081	70,395	32.7	.....	.....	.....	.....	.....	.....	.....	
National Surety Marine.....	3,891,804	1,202,311	1,241,563	496,342	1,000,000	1,172,904	509,071	1,691,306	566,869	32.6	.....	.....	.....	.....	.....	.....	.....	
National Union Fire.....	26,953,626	2,251,744	12,647,582	957,721	1,100,000	6,510,227	579,506	12,552,797	6,398,229	51.0	.....	.....	.....	.....	.....	.....	.....	
Planet.....	2,468,646	—32,167	31,989	.....	1,000,000	1,412,406	—89,655	35,693	133	0.00	.....	.....	.....	.....	.....	.....	.....	

## Fire Company Experience in 1945 by Lines

Fire	Extended Coverage		Tornado-Windstorm		Sprinkler		Leakage		Riot & Explosion		Motor Vehicle	
	Prem.	Paid Losses	Prem.	Paid Losses	Prem.	Paid Losses	Prem.	Paid Losses	Prem.	Paid Losses	Prem.	Paid Losses
Amer. Mot. Fire.....	1,932,021	988,922	340,542	149,619	34,043	12,516	14,319	1,479	2,128	69	1,017,392	698,084
Bankers & Ship.....	228,520	112,862	22,836	1,932	2	—	62	—	52	—	460	701
Birm. Fire of Pa.....	333,017	134,714	144,280	21,504	10,529	4,476	219	—	69	—	265,350	117,305
Fid. & Guar. Fire.....	3,531,507	1,423,111	737,001	235,814	47,835	57,688	11,900	2,097	13,304	1,703	3,925,846	2,158,470
First Ky. Fire.....	10,243	5,590	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
First National.....	856,761	282,175	302,656	101,097	11,868	9,759	662	20	1,510	249	122,441	74,506
General.....	9,287,052	3,985,403	1,867,678	602,508	180,952	187,666	29,250	2,418	47,659	7,821	2,606,642	1,448,313
Mercury.....	2,196,308	933,373	330,704	175,005	83,950	32,564	11,548	137	9,830	758	677,396	369,758
Natl. Grange Fire.....	73,478	32,247	.....	.....	.....	.....	.....	.....	.....	.....	138,193	37,951
Natl. Surety Mar.....	2,006	599	1,397	7	.....	.....	.....	.....	.....	.....	181,889	48,002
Natl' Un. Fire.....	7,062,614	3,702,521	1,431,205	478,466	181,377	182,335	35,773	7,017	49,722	12,349	1,345,662	953,325
Planet.....	7,590	.....	1,823	.....	174	.....	91	.....	.....	.....	24,184	123

## Bury All Rate Bills in Virginia

RICHMOND—Because rates in Virginia are believed to be already under regulation sufficiently to comply with minimum requirements of public law 15, senate bills 160 and 161 providing for regulation of certain casualty and surety rates, will be either withdrawn or permitted to die in committee. Neither will any effort be made to secure passage of house bill 275, known as the general industry bill, offered in opposition to the senate bills. Decision to abandon efforts to secure passage of the legislation was reached after department officials and representatives of the industry agreed that it would not be necessary to take any action at this time with respect to such legislation.

## N. Y. Dept's Intent Eyed in Uniform Accounting Measure

**Expect Mar. 5 Hearing to Reveal Any Aim at Strait-Jacketing**

NEW YORK—The uniform accounting bill introduced in the New York legislature with insurance department backing is expected to be passed. The governor recommended it strongly in his annual message and it is understood that Democrats in the legislature are for it.

The bill now represents substantially what would be acceptable to insurance interests. Superintendent Dineen conferred with insurance accountants and executives in order to make the legislation pretty much acceptable to the industry, which it was not last year. The insurance people opposed the measure as introduced in 1945 because of its reference to "records and accounts," which, they felt, gave the superintendent power to prescribe bookkeeping procedure and forms.

## Will Watch On Intent

To this the insurance business still would object. They believe the present language will insure that the superintendent cannot dictate bookkeeping methods. However, they are still prepared to oppose the measure if, at the March 5 hearing on departmental bills, the department does not indicate that the intent of the legislation is such as to make that impossible. They will be at Albany to get the legislative intent behind the bill by questioning departmental representatives closely.

What the insurance companies do not want is for the department to be able to say that they must use certain forms laid out in a certain way on certain colored paper for their bookkeeping operations. Apparently they do not object to considerably more uniformity in presenting information to the insurance department than has obtained in the past. They admit the need for this, particularly because in the next year or two it may be necessary thoroughly to revise state blanks to handle multiple line underwriting. Accountants already are studying the problems involved in preparing a single blank for reporting to the states both casualty and fire company operations, and the swing over to uniform accounting at the same time would be desirable.

Another thing the industry would like to guard against is several varieties of "uniform" accounting laws among the various states.

## Recognize Validity of Claim

The insurance people recognize the soundness of the argument that there should be more uniformity. Some salaries are placed in unallocated expense by some companies. Other companies classify the same items as salaries. One company treats public official bonds as surety, another as fidelity.

Some states require that industrial commission expense be classed as an expense item. It is considered a tax and is so shown in other states, a more logical way of treating it, the industry believes. In New York this amounts to 4% and must be treated as an expense.

If and when the bill is made law, it will require considerable conferring of department and the industry to work out a uniform procedure.

One thing that has made the insur-

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Midland Mu  
Mill Owners  
National Jew  
Penn Mutua  
Pr. Millers P  
Preferred M  
Retail Drug  
Texas Hardw  
Union Mutua  
Union Mutua  
Port Worth  
XUM

## Danforth V. P., Giles Millers Nat'l Treasurer

Ralph S. Danforth, formerly assistant secretary of Millers National, has been elected a vice-president in addition to continuing as assistant secretary; John O. Giles, formerly assistant treasurer, was elected treasurer; Elmer A. Domke, Joseph A. O'Brien, J. G. Thumley, and Leo B. Menner were appointed assistant secretaries.

Mr. Danforth is the son of Millers National's late president, Franklin S. Danforth. He started with the company in 1911 as an inspector, and this year marks his 35th anniversary. He has been manager of the inspection department, the automobile department, superintendent of agencies, and has been assistant secretary since 1930.

Mr. Giles graduated from Princeton in 1929, was with Bankers Trust Co., New York, 1929-1933, investment department Lumbermen's Mutual Casualty 1933-1940. He served in the navy in the war and attained the rank of commander. He is the son of Millers National's late president, H. M. Giles.

Mr. Domke has been with Millers National 19 years and has been supervisor of the accounting and statistical departments. He is a native Chicagoan. He recently returned from two years of army service.

Mr. O'Brien has been in the fire insurance business for 35 years, 27 with Millers National, and serving for the past eight years as chief fire underwriter.

Mr. Thumley is a graduate of North Central College. He has been with Millers National nine years. He has been an underwriter in the home office, state agent for Iowa and Nebraska, and for the past year, special representative.

Mr. Menner is a graduate of St. Louis University and had been with Phoenix of Hartford 17 years before joining Millers National, first as farm and survey special agent in Missouri, then state agent for Wisconsin, and later as midwest marine special agent. He joined Millers National in 1936 and has been manager of the marine and aviation department for the past 2½ years.

### G. Richards with Morris Plan

Robert G. Richards, formerly in charge of advertising and sales promotion for Home Life of New York, has been placed in charge of national advertising and local cooperative campaigns for the American bank credit plan, the program of automobile financing for dealers and consumers of the Morris Plan Corp.



Ralph Danforth

## Factory Mutuals 1945 Figures Show Strong Year

The Factory Mutuals showed a decrease in net losses for 1945 over 1944 and have an excellent financial statement for the year generally. Net assets at market value now total \$116,400,000, net premium deposits are \$97,300,000 and excess surplus is \$64,200,000.

Net losses in 1945 were \$5,579,000 as compared with \$5,764,000 in 1944. The average annual net loss for the past 15 years is \$3,171,000 or a ratio of \$2.80 per \$1,000. The ratio in 1945 was \$3.16 per \$1,000 while in 1944 it was \$3.40. Assets per \$1 of net loss on a 15 year average are \$26.

### Good Start in 1946

January, highest fire loss month in history nationwide, showed a 59% decrease this year in losses on all lines over January, 1945.

The statement shows the mutuals last year had 3,103 fires reported with a loss of \$3,655,000, the largest single loss being \$300,000. There were eight other losses over \$100,000, but none exceeded \$150,000.

A total of \$600,000 U. & O. losses in 508 paid claims were reported. The largest was \$40,000, the next \$30,000, resulting from the Jamestown tornado.

There were 632 wind and tornado losses totaling \$662,000 from an unusually large number of heavy storms, the largest occurred in Jamestown, N. Y., and cost \$182,000.

### Other Losses

The three largest sprinkler leakage losses came to about \$10,000 each. There were 335 paid claims totaling \$160,000.

A total of 136 explosions cost \$365,000. Other losses included lightning, \$75,000; riot and civil commotion, \$25,000; and vehicle damage to buildings, \$36,000.

## New President

J. A. Bogardus, who recently was elected president of Atlantic Mutual, has been with the company since 1904. His training and experience have been in the various underwriting departments.

In 1934 he was elected vice-president, following his elevation to second vice-president in February, 1930. He has long been active in insurance educational work and in committee activities in the marine field, where he performed notably during the war.



J. A. Bogardus

## Mutual Fire Companies' 1945 Figures

	Adm. \$	Unearned Prem. \$	Net Surplus \$	Net Prem. \$	Net Losses Paid \$
Alliance Cooperative	654,653	264,162	332,009	207,690	105,991
Arkwright Mutual Fire	11,195,381	4,577,991	6,274,446	3,829,135	434,309
Piremen's Mutual, R. I.	1,494,271	7,272,449	7,171,654	5,633,014	791,197
Hamilton County Mutual	1,571,186	216,170	1,073,290	1,045,539	35,755
Littitz Mutual	1,617,973	562,337	1,011,024	802,625	263,847
Lumbermen's Mutual, O.	4,524,222	2,587,910	1,354,085	816,478	1,338,699
Merrimack Mutual	3,866,444	2,221,754	1,237,439	2,402,301	832,836
Midland Mutual Fire	453,313	264,720	175,994	198,633	96,853
Mill Owners Mutual Fire	3,796,137	2,441,162	888,639	2,780,058	1,087,688
National Jewelers Mutual	360,620	58,068	259,740	77,141	31,171
Penn Mutual Fire	1,698,510	441,429	1,205,906	445,184	144,384
P. Millers Mutual	4,752,613	1,196,538	2,899,027	1,493,311	529,669
Preferred Mutual Fire	1,850,842	228,591	1,103,001	818,362	271,691
Retail Druggists Mutual	357,779	125,850	215,048	164,450	70,960
Salem Mutual Fire	218,268	184,714	72,249	106,847	57,666
Texas Hardware Mutual	230,645	83,574	132,465	104,810	41,099
Town Mutual Dwelling	2,413,738	1,024,877	1,322,605	854,446	437,787
Union Mutual Fire, R. I.	2,703,961	1,313,131	869,260	2,465,461	909,566
<b>LLOYDS</b>					
Fair Worth Lloyds	591,490	132,475	75,597	231,625	95,024

## National Fire '45 Premiums Set New High Record

National Fire during 1945 recorded an increase in net premiums of \$964,672 or 4.5% greater than those of 1944, President F. D. Layton reports. The total premiums of \$22,434,121 were the largest in history. The loss ratio decreased somewhat, as did the ratio for total expenses. The trade underwriting gain was \$576,886, which was an increase of \$368,654.

The trend for term business continues as evidenced by the fact that the increase in premium reserve amounted to \$1,907,740 against the increase in net premium income of \$964,672 or nearly twice the amount. This large increase precluded the possibility of a statutory net underwriting profit but the statutory net underwriting loss for 1945 amounted to \$1,364,963 against a statutory net underwriting loss of \$2,265,179 in 1944.

The fire underwriting, contrary to the general trend, showed a more favorable loss ratio than in 1944. Windstorm losses continued high. Increased cost of construction, repairs and replacements is contributing to larger loss claims in dollars in proportion to the extent of physical damage.

The values now prevailing due to increased costs, in time, should produce larger amounts of insurance and corresponding increase in premiums. Frequently, however, there is a lag in the recognition of increased values in respect of insurance on the part of property owners. A definite public relations program is in effect to call the attention of the public to this situation and advising all property owners to check their insurance to make sure it is adequate and in keeping with increased values.

Unsatisfactory loss experience was sustained on automobile underwriting. This was due largely to the increased cost of repairs and replacement of parts on cars currently in use, especially on collision losses.

"When the automobile industry has resumed full production and the inadequacy of present rates has been corrected (and steps are being taken in that direction), we hope more favorable results can reasonably be expected. It is necessary for us to carry on through the present period of readjustment, and our underwriting of this class of business is receiving most careful attention. The results on our inland marine business were favorable."

Assets increased nearly \$5 million from \$60,424,833 to \$65,260,417, an all-time high.

Net earnings from investments amounted to \$1,205,041 and were \$205,041 in excess of annual dividend requirements of \$1 million.

## National Bureau Appoints Successor to E. W. Sawyer

NEW YORK—J. B. Donovan, commander in the naval reserve and prominent New York attorney and writer, has been named general counsel of the National Bureau of Casualty & Surety Underwriters, to succeed E. W. Sawyer. He assumes his duties March 20 on completion of special war services for which he was commissioned in 1943. He is a graduate of Fordham and of Harvard law school and took an active part in editing and writing for college publications.

## Producer Is Worth What He Costs, Buyer Testifies

### Performs Number of Valuable Services—Can't Get Cheaper Elsewhere

Basically, the buyer of insurance is interested in the answer to a few very simple questions: What hazard may be encountered without brokerage service? What service is available from brokers? How should a broker be selected? How can the services of a broker be measured?

The answers enable the buyer to determine whether he should deal directly with insurance companies or have the insurance placed through a broker, William J. Wiley, treasurer of International Resistance Co., told the Insurance Agents & Brokers Association of Philadelphia.

If a buyer is dealing directly with insurers he is faced with the difficult problem of selecting coverage for his particular needs from an infinite variety of types of insurance, Mr. Wiley said. To sensibly select the coverage which he needs, requires a great deal of thought and study. This places a burden on the average business man for he is generally not well versed in this field. Even if a company does retain on its staff an insurance expert, problems will be encountered in dealing directly with underwriters. Of necessity, the practicing broker is familiar with the current markets for specialized insurance. In addition, he is fully cognizant of contracts and policy combinations that are not readily available because of hazards or low profit margin. It is customary practice of the trade for brokers to place such contracts as an accommodation.

### May Not Be Protected

An insurance policy is a contract between the insuring company and the insured. These contracts are extremely technical and there are many hidden meanings, usually determined by legal decision, which require interpretation. Failure to secure the proper interpretation through reference to an expert in such matters, means that the insured may not have the coverage which he thinks he has, or he may have duplication of coverage.

Since the average business man or lawyer is not an expert in insurance, contracts made during the normal course of business must be individually scrutinized.

(CONTINUED FROM PAGE 6)

tions. In New York he was with the law firm of Townley, Updike & Carter, and handled considerable insurance litigation.

In 1942 Mr. Donovan was appointed associate general counsel of the federal office of scientific research and development in Washington. After being commissioned he became general counsel of the office of strategic services. Until recently he was on the staff of Associate Justice Jackson in the Nazi war criminal trials.

### Aetna Writes Big Ky. Dam Bond

Aetna Casualty was the originating company on the \$18,395,934 contract for the dam at Wolf Creek, Ky., on which J. A. Jones Construction Co. and Wright Contracting Inc., of Charlotte, N. C., are joint venturers. Aetna wrote both a performance and a payment bond at 50% of the contract price on the project.

## Examines N. Y. Cooperatives' Rate Making Setup

NEW YORK—The New York department has issued an examination report on the Underwriters Rating Board at Albany, which makes rates for a dozen advance premium cooperative fire insurers.

Examiner Frank Montesani recommends that the board discontinue use of schedule rates where the organization has not made its own survey and rating inspection according to its own schedules, particularly in New York City. There the board has been using New York Fire Insurance Rating Organization in that territory as a base, and the U.R.B. "has come to a realization that under the law the tacit or indirect use of rates of the N. Y. F. I. R. O. is not permitted without consent" of that organization. The U.R.B. is now removing a large number of risks at present the subject of schedule rating by the adoption of a class rating system.

### Class Rates in N. Y. C.

However, no program has been devised which appears to take care of schedule rates in New York City, and under the circumstances, the examiner concludes that the organization will probably have to confine its New York City operations to class rated risks exclusively.

Advance premium cooperative fire insurers were not subject to the regular rating sections of the New York insurance law before adoption of the revised law effective Jan. 1, 1940. Since that time the Underwriters Rating Board has been endeavoring to bring its operations up to full conformity with the requirements of the statutes, and the report states that the organization has been sincere in its efforts to do so, although it last year had some staff changes which delayed this process.

To indicate the progress the board is making, it recently has developed a set of tables transferring to a class rating

system all unprotected mercantile risks, garages and churches, the report states. A continuation of this program with other classes of risks having a feasible and practical susceptibility to class rating will, the board believes, enable it to bring up to date those risks which require schedule rate surveys, and also promptly to rate all new risks of that character.

In connection with the New York City writings, the board applies a 20% experience credit on all rates other than class rates for which manual pages are filed. The report states that the board is not equipped to survey and compute schedule rates on New York City property. The application of a 20% credit to schedule rates in New York City is unauthorized when such rates are obtained solely from rate cards of the New York Fire Insurance Rating Organization.

### Comparison of Rules, Rates

In a comparison of rules and rates of the U.R.B. and the New York Fire Insurance Rating Organization, the report points out that the U.R.B. has rules and rates for five point fireproof dwellings class, a selection of superior dwellings in protected territory. U.R.B. rates for live stock are generally lower than those of the New York Fire Insurance Rating Organization; the board grants a credit for lightning rods; has differences on classification in some counties; provides that in case of rate reduction the coverage or term may be extended on a pro rata basis of the original time; provides installment payment of premiums; provides automatic reinstatement of insurance if the loss is \$1,000 or less or does not exhaust more than 3% of the insurance, after the damaged property has been repaired or replaced; provides 5% off-premises coverage for household goods, etc.

Five of the largest of the board's subscribers withdrew in 1945. They were Home Mutual Fire, Binghamton; New York Central Mutual Fire, Edgemont; Otsego Mutual Fire, Burlington Flats; Preferred Mutual, New Berlin and Utica Fire. Members are Canton Cooperative, Cooperative Fire of Catskill, Dwelling Insurance Association of Ilion, Empire Cooperative, Olive Co-

operative, Oneida Cooperative, Pioneer Cooperative, Security Mutual Fire, Sterling Fire, Thompkins Cooperative, Woodstock Mutual, and Wyoming Valley Fire, all of New York state, and Badger Mutual Fire of Milwaukee.

## Kurz Leaves High General Post for La. Agency Work

SEATTLE—The resignation of Felix Kurz as executive vice-president of General of Seattle was announced to agents by President H. K. Dent in a letter which he said was the saddest that he had ever been called upon to write.

Mr. Kurz is becoming a partner of James D. Parkerson in the Parkerson Insurance Agency of Louisiana. He will make his home at Lafayette, La., but he will remain with General until May 1.

Mr. Kurz was one of the first employees of General. He had moved with his family from Chicago to Seattle and went with the Washington Rating Bureau. When he learned about the organization of General he went there and secured a job. He was elected executive vice-president just a year ago. He has been with General 23 years.

### Work to Be Divided

Mr. Dent states that Mr. Kurz' position will not be filled by any one person. His work with the fire department will be taken over by Dennis Gulliford, who is being made a vice-president and will be put in charge of the fire operations. He has been with General 19 years, having started as an office boy.

Wayne Murray, vice-president of General Casualty, will continue to direct the operations of that company. L. E. Crowe, secretary, will be relieved of auditing detail so as to enable him to give all of his time to supervision.

All matters of policy will be decided by a committee of the senior officers working in conjunction with the branch managers.

## Vogt Going with Marsh & McLennan

Earle E. Vogt, production manager of Millers National, has resigned to become associated with the Chicago office of Marsh & McLennan as an assistant to Vice-president Robert C. Borwell in production work. During his 23 years with Millers National, Mr. Vogt has had wide experience in direct mail advertising, publicity and sales promotion work and is recognized as one of the ablest and most experienced men in this field.

He went with Millers National in the underwriting department after attending Beloit College. Mr. Vogt studied journalism at Northwestern University in night school. He was an examiner and map clerk of Millers National for about eight years, then for a time was in the inspection department, appraising grain elevators over a wide territory. Mr. Vogt was instrumental in formation of the advertising and sales promotion department, of which he was manager for about 15 years. For the last five years he has been production manager with charge over advertising and sales



Earle E. Vogt

## N. Y. Clarifies Its Call for Reinsurance Data

The New York department has set down answers to a number of questions that have been raised as to the basis for including in the report of reinsurance cessions, the aggregate amount of unauthorized alien reinsurance. The department, following conferences with company representatives, outlines its position in a letter from Thomas C. Morrill to Vice-president D. R. Ackerman of Great American.

Included in the figure of unauthorized alien reinsurance must be the premiums in force for excess of loss coverage.

### Will Accept Syndicate Figures

The department will accept direct from the various underwriting syndicates, in behalf of their members, the figures on unauthorized alien reinsurance of the pools. These filings may be on an aggregate basis and need not define the participation of individual members. Where the associations make such reports, the members should not include such transactions in their individual reports.

The department wants data on unauthorized alien reinsurance on direct business written in foreign countries by U. S. companies. However, it will be acceptable for American Foreign Insurance Association and American International Underwriters to report for their members.

The department will accept loss figures either on a paid or incurred basis provided the basis is indicated.

### Net as to Salvage

Recovery should be reported net as to salvage and premiums should be gross as to commissions. Only aggregate figures are requested. It is not necessary to report by lines of business.

This reinsurance call is nothing new but there have been a number of points upon which there has been some variation in the way the figures are reported.

One question that has arisen is in connection with Canadian operation. There is considerable reinsurance back and forth between American companies and their Canadian affiliates. Some of the British company branches in the United States have American insurers which reinsure their total Canadian business in the Canadian branches of the same British companies. Apparently this business should be reported.

What the department wants is a quick aggregate picture of the total amount of reinsurance ceded to unauthorized alien companies. The department would like to have this information in case it is called for in connection with the legislation on multiple line underwriting introduced recently under sponsorship of Risk Research Institute.

## Rate Bills in Kentucky Are Non-Controversial

The fire and casualty rating bills were introduced in both house and senate of the Kentucky legislature Monday. These are non-partisan measures and there seems to be no threat of any serious controversy developing in connection with them. The casualty measure was introduced in the senate by Moss and is No. 156. It was introduced in the house by Howell and Denny and is No. 364. The fire bill was introduced by the same legislators and it is SB 155 and HB 363.

The effective date in connection with both bills is Oct. 1, 1947.

promotion and also development of and contact with agencies.

Millers National has not yet announced a successor. It is possible the duties will be distributed among several on the staff.



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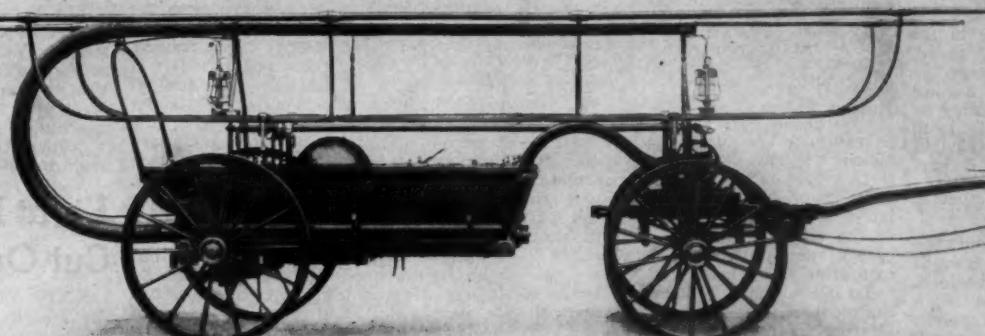
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Courtesy, American La France Foamite Corp.

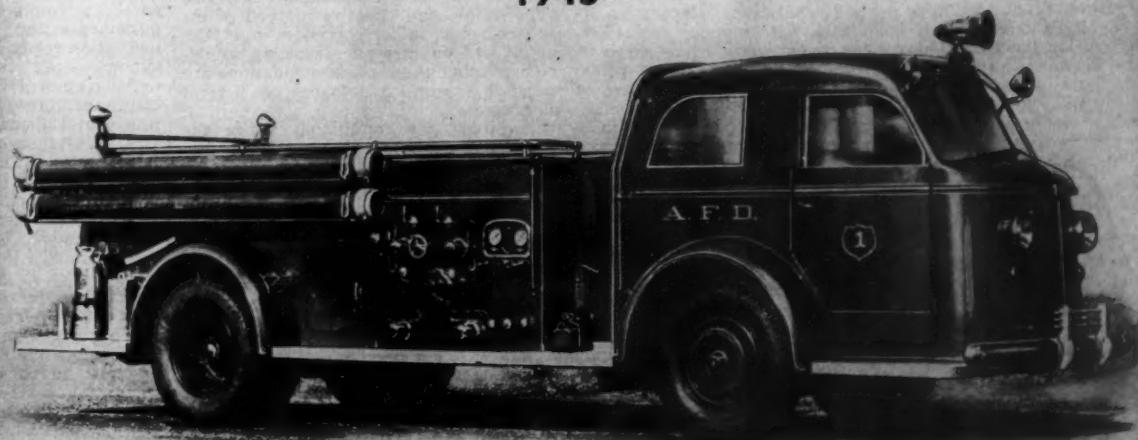
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Southwestern Dept.

912 Commerce St.  
Dallas 2, Texas

Pacific Department

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San Francisco 4, Calif.

Firemen's Insurance Company of Newark, N. J.

Organized 1855

The Girard Fire &amp; Marine Insurance Company

Organized 1859

National-Ben Franklin Fire Insurance Company

Organized 1866

The Concordia Fire Insurance Co. of Milwaukee

Organized 1879

Milwaukee Mechanics' Insurance Company

Organized 1882

Royal Plate Glass &amp; General Ins. Co. of Canada

Organized 1908

The Metropolitan Casualty Insurance Co. of N.Y.

Organized 1874

Commercial Casualty Insurance Company

Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

BUY MORE BONDS -- AND KEEP THEM

## Producer Is Worth What He Costs

(CONTINUED FROM PAGE 3)

tinized for contractual liability and interpreted in the light of insurance requirements. This requires expert service, Mr. Wiley warned. The failure to have proper coverage may cause disaster to an otherwise prosperous business.

When a loss occurs, the purchaser is faced with the technical problems involved in the settlement, he said. If the loss is substantial, the problem may become very complex. If adjustments are not handled through a broker, it may be necessary to secure the services of a public adjuster or a lawyer for certain types of settlement. A broker is particularly well fitted to assist in making the settlement since he is completely familiar with the coverage.

To operate a business without the services of a competent broker is fraught with a great many hazards, he added. One should as well consider running a business without reference to competent legal, accounting or engineering services, as to attempt to function efficiently without a broker.

### Services of Producer

Perhaps the most important service provided by the broker is the annual survey, Mr. Wiley said. In this the insurable hazards to which the business is exposed are summarized. The risks are segregated for insurance purposes indicating those hazards which it is necessary to insure; those risks for which coverage is considered desirable; and those for which insurance may be optional.

Such periodical reports contain a lot of necessary information to the buyer. Confirmation is given that the policy clauses and forms contain a maximum of privileges and a minimum of restrictions. Verification that rates are the lowest obtainable from reputable companies, in the light of experience and the nature of the risk. Constructive recommendations for an insurance program. Comments on the latest financial ratings of the carriers.

In addition the broker performs a

much needed function of loss prevention by study of recurring losses and making recommendations for improvements, he continued. Discussions with safety committees and plant engineers bring a fresh point of view to those working closely with loss problems.

A fundamental part of the broker's duties is to make periodic study of fire insurance rates to make sure that the rates are current in view of current conditions. In addition it is necessary to make frequent checks on the amount of coverage and the insuring clauses, particularly exclusions and prohibitions. In order to do this intelligently, it is necessary to know the actual changes in the company's operations which will have effect on the insurance program.

### Bureau Rulings

Insurance bureau rulings and legal decisions are constantly being issued and it is a part of the broker's function to keep the policy form in line with the latest information. A substantial part of the broker's duties is that of taking care of the routine work involved with expiration and renewals.

To one not in the insurance business, the most important single factor in considering whether a broker is to be used in handling insurance matters, is that there is no financial saving accruing from taking care of one's own insurance, Mr. Wiley declared.

Some of the information made available to the broker is confidential. In addition, brokerage service involves keeping up-to-date in both legal and technical matters relating to insurance. Consequently, it is easy to understand that the work of a broker falls into a professional category somewhat along the lines of the legal and accounting professions. In selecting a broker approximately the same standards should be used as in selecting a member of any other profession. A number of things have to be considered. First and foremost is the reputation of the broker. It goes without saying that it is highly undesirable to do business with any member of a profession who does not have a good reputation. Reputation itself includes a wide number of factors. The caliber of service which is given to other buyers of insurance is of prime importance. Integrity and ethics are of equal importance. To be completely qualified to handle all of his responsibili-

ties, it is absolutely necessary for the broker to be up-to-date in the literature of his profession. If this is not the case serious problems may be encountered by the buyer. In order to properly handle the accounts, the organization of a particular broker must provide the services which have been previously outlined.

### Company He Keeps

An insurance policy is a contract between the buyer of insurance and the operating company. No buyer of insurance has the time to check into the financial standing and reputation of the underwriter. He must rely entirely upon the broker's recommendations. If the broker does not represent companies which operate in a sound manner and make reasonable settlements, the buyer should immediately be on guard and consider selecting a broker that does take care of these matters properly. A broker, like man, is known by the company he keeps. The thoughts of a buyer when approached by a broker customarily using companies of quality, but who in the hope of securing business, lowers his standard of companies, can be imagined. Fortunately this type of broker seems to be seldom encountered—which is not surprising, Mr. Wiley said.

One of the basic methods of determining the efficiency with which a broker operates is to make a comparison of the service which he promised prior to the engagement and that which was subsequently given. All too frequently promises are made to secure a new client—promises that are not completely fulfilled. If a broker is on the job, voluntary rate reductions will be initiated by him from time to time. When losses occur, he will take steps to see that settlements are made promptly and to the client's satisfaction. Small losses will not be disputed and will invariably be settled in the favor of the client. This is of course a test of the broker's relation with the underwriter. A common sense appraisal of the broker's recommendations gives a very simple and effective method of estimating his ability. It does not take an expert on insurance matters to decide whether these recommendations are sensible or not. A policy is not a legal document to put into a safe until it is expired. As conditions change the

policies must be revised or rewritten. If a broker operates in such a way that there is no activity on the policy, the chances are fairly good that the job is not being done carefully.

During the war, many of the services provided by the broker were temporarily discontinued. The reasons are well understood, for all phases of activity were faced with an extreme shortage of competent manpower. The buyer of insurance will soon expect to receive the same quality of service as that given prior to the war.

The buyer seldom expresses his appreciation for the services made available to him by his broker since they are frequently taken for granted, Mr. Wiley admitted. The failure to express such appreciation on the part of the buyer must not in any sense be misconstrued, for he is naturally timid in expressing approbation.

## Fight D. C. Rate Cut Order in Court

NEW YORK—Suit will be filed in the District of Columbia Thursday by fire companies opposing the recent rate reductions of Commissioner Jordan.

### C. H. Tiedemann Is Named Secretary of Sun Group

To succeed Elliott Middleton, who retired Dec. 31, C. H. Tiedemann has been appointed secretary of Sun, Patriotic and Sun Underwriters. Mr. Tiedemann has had more than 30 years experience in insurance and since 1924 has been a member of the Sun group, first as state agent, and, since 1939, as assistant secretary.

### Group Will Study Changes Needed in Indiana Law

Governor Gates of Indiana, anticipating the need of legislation to meet the conditions imposed by public law 15, has named a commission to study the requirements and to have recommended legislation ready for the 1947 legislature. Commissioner Pearson is chairman, other members being E. P. Gallagher, insurance attorney; H. E. Schenck, president Indiana Farm Bureau; Gus J. Daseke, state agent Phoenix of Connecticut; Ralph Hill of Failing & Hill, general casualty agents, representing casualty interests; L. S. Kidd, Brazil, president Indiana Association of Insurance Agents and E. Kirk, McKinney, Jefferson National Life, president Indiana Association of Legal Reserve Life Insurance Companies.

Selected to represent all branches of the business, the commission will work with sub-committees that will be set up and also in close cooperation with the attorney-general's office. Findings will be turned over to the legislation bureau for final shaping up into measures that will be introduced when the legislature convenes next January. The commission will hold its first meeting Monday.

### Ohio Farmers Agents Group Names New Officers

J. W. Marlow of the Tuscarawas Agency Co., New Philadelphia, was elected president of the Ohio Farmers Agents Association at a meeting in Le Roy. O. H. S. Boynton of Long-Boynton & Regenold, Toledo, was elected vice-president, and C. D. Palmer, Columbus, secretary. Statuettes were presented to five agents who have been with the company 25 years or more: M. G. Taylor, Hamilton; Leroy Pilcher, McArthur; J. W. Marlow, New Philadelphia; R. C. Jacobs, Coshocton, and C. D. Palmer, Columbus.

Perry Godlove, former special agent for the Kansas Underwriters general agency at Wichita, has purchased the Vergades agency at Clay Center.

The Hiram T. Burr agency, Dodge City, Kans., has been changed to Burr-Hancock, L. B. Hancock having joined the firm as a partner.

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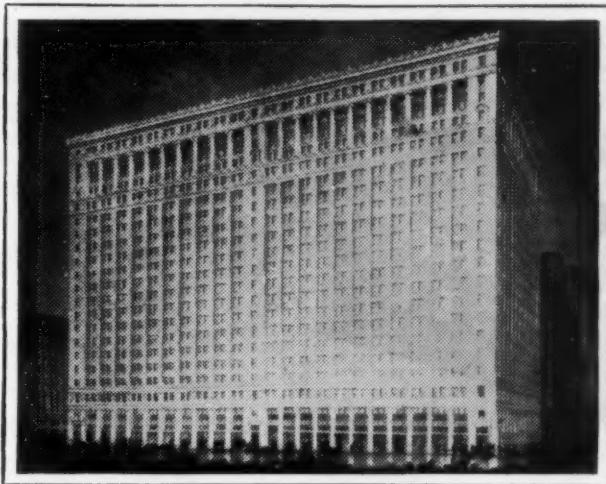
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## Dept. of Commerce Aids Expansion

(CONTINUED FROM PAGE 1)

Mr. Sachs is conferring at New York this week with a committee of that association on that matter, with a view to clarifying what the industry wants the department to do and what the department can do. Vestal Lemmon, casualty actuary, Texas insurance depart-

ment, and Raymond Hulsey, Texas Auto Insurance Service Office, Austin, were invited to the New York conference.

Association representatives conferred with George Wythe of the Department of Commerce inter-American unit before entrance of Mr. Sachs and the insurance division into the picture.

Mr. Sachs, formerly with the Treasury Department blocked funds division, from 1942, had charge there of control over operations of foreign insurance companies in the United States and,

to some extent, American companies abroad, during the war period. He was loaned by the Treasury to the War Department and spent two months in Germany last year as insurance consultant in SHAEF.

### Preceded Col. Hill

That preceded the assignment of Col. Reese Hill to SHAEF and the American section of the allied control council in Germany. Before returning to this country Mr. Sachs conferred with Col. Hill and told him what had been done prior to Col. Hill's arrival. It is understood that Mr. Sachs was not any more satisfied with the insurance situation in Germany than was Col. Hill, who reported after his return here that his efforts had been frustrated over there.

Before 1942 Mr. Sachs was engaged on the rehabilitation and liquidation program of the New York state insurance department.

Treasury wartime control over insurance operations were concerned largely with those of eight Swiss companies and two French companies, it is understood. German, Italian and Japanese insurance interests in this country were seized during the war by the alien property custodian.

Government reports on certain insurance agreements and operations during the war, related to companies—Axis, neutral, and those in German-occupied countries—which have been prepared and circulated confidentially in a very limited way, are described by officials as "top secret."

### Kilgore Committee

The Senate Kilgore committee issued a comprehensive report on Axis penetration of insurance activities throughout Europe.

In connection with the new Department of Commerce insurance division, Mr. Friedlaender says nobody in the department has any idea of putting the government in the insurance business through that medium.

### Mexican Auto Cover

The situation with respect to insurance of United States automobiles in Latin American countries, particularly Mexico and Central America, was subject of an informal conference here late last week at the Department of Commerce. Sitting in were Mr. Friedlaender, Mr. Sachs, A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department; Mr. Lemmon and Mr. Hulsey.

A more formal conference on the subject had been scheduled, but in view of the large size of the prospective attendance—35—and the newness of the Department of Commerce in the insurance field, it was decided to postpone it. However, Messrs. Lemmon and Hulsey had already left Texas before the postponement notice was sent out and could not be reached en route. So the department went through with the meeting on the limited scale.

### Lemmon Conferred

It is said in insurance circles here that some United States automobile companies have not felt the best service is offered in limiting coverage to the United States and Canada, especially in view of the opening of large sections of the Pan-American Highway and

the expectation of considerable tourist traffic on it in the near future.

Mr. Lemmon conferred with the Mexican insurance commissioner about customs and practice in his country, in case of auto accidents. It is said the custom is to settle such matters promptly in court, and if an American autoist is found at fault in an accident he is required to pay up promptly or go to jail. Meanwhile, if he wants insurance coverage in Mexico or further south countries he must buy a new policy and pay additional premium at every international boundary.

At the instance of auto insurance interests and particularly Texans, it is said, Department of Commerce officials decided to look into the matter with a view to seeing what could be done about it. Hence, the calling of the conference, now postponed.

In connection with the holding of it in the indefinite future, it is expected the department will seek information on the subject, and the Mexican government may be approached.

## N. Y. Dept's Intent Is Studied

(CONTINUED FROM PAGE 2)

ance people uneasy was the way in which the department made its announcement to the public. The statement was made that the bill had been introduced only after the department had secured agreement on the legislation from the insurance interests. Actually, while in general there seems to be acceptance of the measure, much depends on the March 5 hearing and the indication by the department of what the intent of the legislation is. Some opposition may then develop. The hands of those in the industry who are watching the measure are not tied. They disliked the statement that uniform accounting would expose the top-heavy or watered expense structures wherever they might exist.

The announcement also stated that the public service commission has used uniform accounting in regulating facilities of the state since 1906 and the Interstate Commerce Commission has had the system in effect since 1887 on a national basis. This comparison is illogical, the insurance people believe.

Concerns operating under those two commissions have their bookkeeping forms and procedures strictly prescribed by law. However, an item may be assigned either to expense or to capital gains. If the latter, it is an advantage to the company because it increases the capital investment on which they are guaranteed a minimum return, something which the insurance companies are not. With the insurers, everything is expense.

"Sec. 189. Accounts and Statistics. The superintendent shall have power, in his discretion, to prescribe by regulation, uniform classifications of accounts to be observed and statistics to be reported by insurers and other organizations which are subject to the provisions of this article. He may also in his discretion prescribe by regulation, forms of reporting such data by insurers and such other organizations. Such classifications of accounts, and statistics to be reported and forms of reporting shall be reasonable and may vary with the kind or type of insurer or organization. No such regulation or amendment thereto shall be promulgated by the superintendent except upon notice and after hearing to all insurers and organizations affected thereby. Any regulation or amendment thereto shall be promulgated by the superintendent at least six months before the beginning of the calendar year in which the same shall take effect. Any regulation or order of the superintendent made under this section shall be subject to judicial review by any insurer or organization aggrieved thereby." The effective date is July 1, 1946.

### C. H. Smith Addresses Distaff

Charles H. Smith, vice-president of Hartford Fire, addresses the dinner meeting of the Chicago Distaff Executives Association Thursday evening on public relations.

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CONTRACTORS' EQUIPMENT  
Floater INSURANCE?*



With the long-expected increase in building activities getting underway, construction firms have an even greater need for Kansas City Fire and Marine CONTRACTORS' EQUIPMENT FLOATER INSURANCE. This policy provides protection for valuable construction equipment, and may be made to fit individual needs.

Tell the contractors and builders in your community about the important protection offered by Kansas City Fire and Marine CONTRACTORS' EQUIPMENT FLOATER INSURANCE.



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### FAMOUS SYMBOLS OF SERVICE

The American Indian believed in symbols. Here is a famous symbol . . . a quaint bird, signifying the wisdom of being carefree. The Northern Assurance seal, symbol of SOUND INSURANCE PROTECTION, is likewise symbolic of freedom from care.

THE NORTHERN ASSURANCE CO. LTD.

FIRE AND ALLIED LINES AUTOMOBILE INLAND  
MARINE & REPORTING FORM & FLOATER CONTRACTS  
NEW YORK • CHICAGO • SAN FRANCISCO



February 21, 1946

## Opportunities for Aviation, Veterans Discussed at Mich.

The potential market for aviation insurance in Michigan is \$750,000 premium income now, Edwin J. Quick, Muskegon, chairman of the aviation committee of the Michigan Association of Insurance Agents, told the midyear meeting at Grand Rapids last week.

There are too few agents in the state to handle this volume, either from lack of information or lack of interest in aviation insurance, he said. Michigan now has 178 operating air fields and 73 base operators and flying schools, each of these offering an ever-widening market and he declared that it is the agents' responsibility to acquaint themselves with the facts and help promote the aviation industry. The water surrounding Michigan opens it up favorably for air travel and the tourist resort business of from \$300 to \$400 million yearly already has realized the opportunities in air travel.

Although there is no manufacturer of airplanes in Michigan, it is a leading state in production of parts and machines for aviation and is far ahead in planning for future air possibilities.

Mr. Quick said the agents are behind the state in realizing the possibilities and agents as a group should go out of their way to promote this field. He said that Michigan now has about one plane for each 3,000 population and under present plane manufacture will have about one for each 1,000 persons at the end of this year. This increase opens up a field for many types of cover, including that of operators on the ground.

The association can help promote this increase and benefit itself by so doing, he asserted.

An organized road service plan to supplement the road service coverage in an automobile policy was explained to the association by V. E. Lazarus, Royal Oak.

Road Service, Inc., is a system under which garages are listed which will service cars with subsequent repayment to the policyholder. The policyholder uses a receipt from the garage, sends it to his agent and is repaid under the road service clause in his policy.

Mr. Lazarus said that there are now 151 garages under contract in 56 Michigan cities, with 218 agents subscribing to the plan.

The Michigan association has done considerable work in helping veterans and is one of the leading states in this activity, it was brought out at a meeting of the veterans advisory committee.

W. O. Hildebrand, Lansing, secretary-manager of the association, and chairman of the veterans committee, reviewed progress thus far. He pointed out that the association now is in charge of the Michigan insurance on-the-job training program and agents' applica-

tions are sent through his office before being forwarded to the state.

F. N. Hand, legal advisor Michigan office of veterans affairs, explained that on-the-job training gives agents the pick of veterans for their business. He pointed out that local agencies have little difficulty in becoming approved for the program and the government benefit acts as an additional bonus to the inexperienced man.

Russell A. Bradley, Ann Arbor, a nephew of Gen. Omar Bradley of the VA, explained the educational facilities, and H. Thompson Stock, director of education, spoke on training on the job under the GI bill.

Mr. Hildebrand stated that there are 500 veterans now in insurance in Michigan, most of them under the GI bill.

The agents showed considerable interest in the program and asked many questions.

## Travelers Fire Rearranges Engineering Work in 2 Areas

Travelers Fire is rearranging its Chicago and Kansas City territories and enlarging its engineering service in these two areas. It has appointed J. I. Clatanoff, who has been serving as fire survey engineer at Kansas City,

as superintendent of engineering for the territories served by the Chicago, South Bend, Milwaukee, Des Moines and Peoria branch offices. Associated with him as fire survey engineer will be H. E. Hagen, who was appointed to that position in 1943 when William G. Goldsmith entered the army. Both Mr. Clatanoff and Mr. Hagen will have headquarters in Chicago.

Mr. Goldsmith, who was released from service last November, has been appointed superintendent of engineering at Kansas City and will supervise engineering work in the territories served by that office and by the offices at St. Louis and Oklahoma City.

140 YEARS



WILLIAM STREET LOOKING TOWARD MAIDEN LANE, NEW YORK, 1806

Approximate site of the present office of the Eagle Fire Company

## CASUALTY BRANCH MANAGER

This man has an excellent record for building a branch office and producing business. He is well versed in all casualty lines. Fine personality and good following.

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Insurance Personnel Exclusively  
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Few business institutions in this or any other country have had more intimate relations with a great city's growth and commercial development than the Eagle Fire Company of New York.

Through its personnel and directors it has touched nearly every phase of the public and business life of this city—from the

frontiersmen and traders of the eighteenth century to the mercantile and financial leaders of today.

Launched at a time when New York, a city of only 60,000 inhabitants, was just recovering from the great fire of 1776 it was a tribute to the future of the city and the fire insurance industry.

**EAGLE FIRE**  
**Company of New York**  
*Established 1806*

Oldest New York Insurance Company

## National Board Starts Campaign on Under-Insurance

Emphasizing the nation-wide importance of the under-insurance problem, the National Board has begun a publicity campaign in cooperation with companies and local agents through newspapers, radio and mail. The program will run through June and the Board will supply material. Case histories of individual companies on under-insurance have been requested and will be run as example advertising.

Among the items to be distributed are large color posters for wall or window display; newspaper mats for local papers with space for agency names.

Reprints of advertisements from national magazines on business letter size will be available for direct mail or enclosure with renewals, as well as radio commercials for agents' use on local stations; specially prepared statistics for speech material, readily adopted to local circumstances also will be sent out.

Releases to local newspapers and other publications will be available also adaptable to local problems. Stickers and slugs for stationery, blotters, calen-

dars, etc., will be mailed as constant reminders.

In its letters to company executives, the Board noted that emphasis on this problem is not on increased commissions following an increase in insurance, but on the necessity of the insured checking his fire cover. This is primarily a public relations program, the Board noted, and is necessary to preserve and develop public appreciation of the agent and his company.

American of Newark already has produced a "Package Plan" of advertising for agents consisting of newspaper mats, mail folders and window posters. It emphasizes the increased building values and ties in with the National Board plan.

### N. Y. Rating Body Meets

NEW YORK—Five members of the governing committee of the New York Fire Insurance Rating Organization were elected for three-year terms at the annual meeting. They are Harold Junker, vice-president U. S. Fire; C. S. Kremer, president Hartford Fire; R. R. Martin, U. S. manager Atlas; H. W. Miller, assistant U. S. manager Commercial Union, and F. W. Stein, vice-president Glens Falls. The membership approved committee reports and actions of the governing committee of the past year.

## Fight New Move in Mass. to License Reciprocals

BOSTON—Principal opposition to the legislation which would permit reciprocals to become licensed in Massachusetts was voiced before the Massachusetts legislative insurance committee Tuesday by John W. Downs, counsel for the Insurance Federation, on the grounds not that he was opposed to reciprocals as such but was opposed to the particular bill before the committee which, he claimed, broke down many of the fundamental insurance laws of the state, going back as far as 1836, which had been framed for the licensing and operation of stock and mutual companies.

The bill, Mr. Downs said, provides so many exclusions from the existing laws, as to make it possible for the flimsiest fly-by-night reciprocals to come into the state.

He compared the bill with a model one prepared under former Commissioner Wesley Monk which took 74 pages and was followed, even before committee consideration, by 26 amendments, presented in 1926, which had been offered the reciprocals and had been opposed by them, because, said Mr. Downs, it was a "model" bill which the reciprocals did not want adopted in any state.

The bill before the committee fills a scant 12 pages. Mr. Downs stressed the requested use of the words "so far as applicable" in many parts of the bill where it was presumed to come under existing statutes. Criticism was made of the fact the bill allowed reciprocals to write automobile liability by putting up merely \$300,000, without an unlimited bond; that it could write workmen's compensation with \$200,000 surplus without a premium reserve; that a company could leave the state without satisfying outstanding claims, that it could employ brokers and agents not subject to licensing laws; that the attorney in fact could receive high compensation and was absolute in power over subscribers; and finally, the department was given little or no discretion over the actual condition of organization or operation of such reciprocals.

Commissioner Harrington expressed his opposition. He stated the bill was a weakening of standards. Miss Emma Toussaint recorded the industrial accident board as opposed to the bill.

### Reciprocals' Story

Floyd E. Jacobs, general counsel American Reciprocal Insurance Association, Kansas City, described operation of reciprocals in 43 states, District of Columbia and the Canadian provinces. He stated reciprocals are asking Massachusetts to regulate, supervise and tax them in order to avoid federal regulation; that they would receive no special consideration by passage of the reciprocal law in Massachusetts as they are operating in all states by virtue of the interpretation of insurance as interstate commerce. The request to organize in Massachusetts is merely in line with a suggestion that the state comply with public act 15 by not discriminating against reciprocals.

"What will be the position of Massachusetts which does not have on its books a law by which reciprocals may operate, be regulated and taxed, when the moratorium ends on Jan. 1, 1948?" he asked. "It is the plain implication of public act 15 that if the states do not act the federal government will. If Massachusetts defies the federal law it will help to bring federal regulation of the business nearer consummation."

Representatives of a score or more of large Boston department stores and business concerns, including Jordan Marsh Co. of Boston, which has been covered by reciprocal insurance since 1886, appeared in favor of the measure.

## Warfield Sees No Trouble for Local Boards from P. L. 15

CINCINNATI—Public law 15 will have little effect on the operation of local boards. The right of refusal to do business has been upheld time and time again and local board in-and-out, non-intercourse, and agency limitation rules are all based on the fundamental principle of the right of an individual to do business with whom he wants, said Guy T. Warfield of Baltimore, N.A.I.A. executive committeeman in addressing the Cincinnati Fire Underwriters Association.

While it may be necessary to make some amendments in local board constitutions, the Baltimore board has a new constitution which not only has in-and-out, non-intercourse, and agency limitation and qualification provisions, but also its well-known rule 3 regulating commissions paid on business controlled out of town. W. H. Bennett, counsel of the National association, has made a special study of the problem and was consulted in drafting the constitution by the Baltimore board. He is happy to make such a study for local boards if only the application of the Sherman act is involved, and has been consulted by the Newark, Los Angeles and Baltimore boards. The National association, he said, did not think it is sound to try to tell state and local associations what to do.

A lot of loose talk is going about regarding the future position of the agent, Mr. Warfield said. The National association is sitting tight, watching trends, following legislation, sitting in on industry conferences, and keeping the welfare of the local agent uppermost in mind. Knowing all the aspects of the agents' problems will mean a great deal in the developments over the years to come, Mr. Warfield declared.

The stand of the National association on the labor-management situation was thought a little far afield by some, he said. It is not fighting labor, but believes the situation regarding strikes has developed into a dangerous condition for the true interests of both labor and business. It is urging a reasonable solution for such matters. Unqualified approval has been given to its stand by more than 90% of the state leaders and none have disapproved.

Frederick Rauh, president, said plans for the National association mid-year meeting in May at Cincinnati were progressing well.

### Farmers Auto Boosts Rates

LOS ANGELES—Farmers Automobile Inter-Insurance Exchange has increased its collision, fire, theft and comprehensive rates from 20 to 25% in all states in which it operates.

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REINSURANCE



the European theater and was a prisoner of war in Germany for about seven months. Mr. Livingston except for his army service has been connected with Northern Assurance for about 15 years.

#### BLUE GOOSE PARTY

More than 100 enjoyed the dinner dance of the Illinois Blue Goose at the Lake Shore Club, Chicago, Saturday. It was so well attended and the members enjoyed the occasion so much that this will undoubtedly again become an annual event of the pond. Several returned veterans were on hand and it was an evening of reunion for them. J. Lewis Cassell, London Assurance, was chairman of the committee and the arrangements had been very well handled.

#### GREAT AMER. CHICAGO CHANGES

Special Agent A. S. LaBeau has been promoted to chief underwriter in Cook county for Great American, succeeding Frank J. Hirsch, who has gone into business for himself. Charles J. Shakes succeeds Mr. LaBeau as special agent in Chicago.

Mr. LaBeau has been with the Great American for many years as underwriter and special agent.

Mr. Shakes is a graduate of Armour Institute and worked with the Kentucky

Actuarial Bureau, the Chicago Board and the Cook County Inspection Bureau.

#### HAMILTON ACCOUNTANTS SPEAKER

W. W. Hamilton, manager of the Chicago Board, was the speaker at the meeting of the Chicago Insurance Accountants Association.

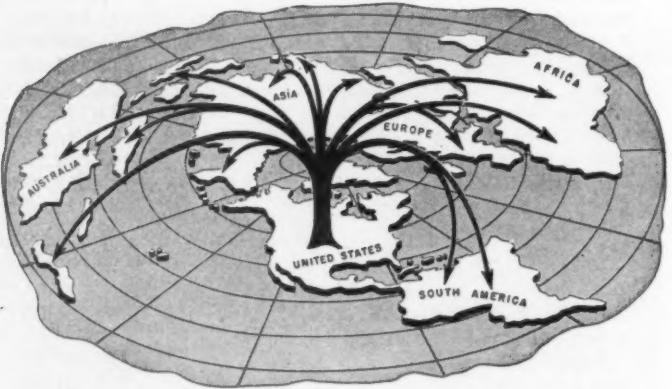
Mr. Hamilton discussed the history and functions of the board and then reviewed its present position under public law 15.

#### NATIONAL FIRE POWWOW

Field men of National Fire in the middlewest to the number of about 65 are gathering in Chicago all of next week for a get-together with western department executives. The meeting is being held at the Continental hotel. There will be a banquet Tuesday evening. E. H. Forkel, vice-president and western manager, will be in charge. Including the Chicagoans participating in the meetings, the convention group will comprise about 100.

#### Pioneer Equitable Out of Ohio

COLUMBUS—The Ohio department has cancelled the license held by Pioneer Equitable of Indiana upon its own request.



## Keep Your Insurance Roots Firmly Planted in America

THE American company with investments abroad enjoys many distinct advantages by carrying its insurance coverages in American Insurance companies. Losses incurred thousands of miles from head office are settled promptly here, in the United States, in U. S. dollars, (or, settlement can be made

"on the spot" in local currency if desired). Other equally important considerations are: the policies are contracts in English, issued in the U. S., subject to U. S. jurisdiction; exchange fluctuations are eliminated because both premiums and loss payments are made in U. S. currency.

**BROKERS:** The AIU deals only through brokers. We invite you to utilize our facilities and services in meeting the needs of your clients abroad. Consult with us on the problems



of foreign legal requirements, perils peculiar to a given area, rates, taxes, and the many other matters which often complicate the handling of foreign insurance.

## AMERICAN INTERNATIONAL UNDERWRITERS

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Affiliates and representatives throughout the world

FIRE • AUTOMOBILE • MARINE • CASUALTY

St. Paul F. & M. as special agent in eastern Iowa.

J. T. Gorman, also just out of service, has joined Aetna Fire in Iowa. Before entering service he was a local agent at Lebanon, O. His father, T. E. Gorman, is farm special agent of Aetna in Ohio.

#### Eberly Indiana Special Agent for Glens Falls

C. R. Eberly has been appointed special agent for Glens Falls in Indiana, except the extreme northern portion. He will be associated with Special Agent Maurice H. Cravens, who continues in charge of this territory.

Mr. Eberly was for 10 years an inspector and rater with the rating bureau at Milwaukee and for two years he was a government inspector of war plants. For the past year and a half he has traveled Indiana as special agent for American Eagle and Continental.

#### Sunflower Puddle Activities

The Sunflower Blue Goose puddle held an overflow meeting in Wichita with

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## Three Returning Veterans Take Iowa Field Posts

William H. Harrison, Jr., has been named special agent in Iowa for Phoenix of Hartford, associated with State Agent Pritchard Payeur. Mr. Harrison, a son of Will Harrison, veteran Iowa state agent of National Fire, recently was discharged from the navy. He replaces W. E. Evans.

Morris Toussaint, who has been in the army for two years, has returned to

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Pollywog C. E. Gooch, Underwriters Adjusting, presiding. A series of discussions on the new life policy and forms was announced, under the direction of Maynard W. Whitelaw, Western Adjustment manager; W. S. Gibbons, St. Paul F. & M., and Ewing B. Fergus, Kansas Inspection Bureau. Honored at the meeting was Frank M. Humphrey, Phoenix of Hartford state agent, who has been transferred to New York following the return of George L. Hampton, former Kansas state agent.

#### Cleveland Stag Party March 4

The stag party of the Western Reserve puddle of the Ohio Blue Goose will be held March 4 in Cleveland. There will be a business session, initiation and dinner.

#### Sandberg Returns to Phoenix-Conn.

Paul B. Sandberg has returned as special agent for Phoenix of Connecticut group following his army service. He will again be in the Cleveland area.

#### Glassbrenner Joins National

Karl F. Glassbrenner, special agent of Glens Falls in Los Angeles, has resigned and will join National Fire March 1 in a similar capacity.

#### Ulvila with London Assurance

Arne J. Ulvila, just released from the army, has been appointed special agent of London Assurance for southern California. Before entering service he had been with Pacific National Fire.

#### Humphrey to New York Post

Frank M. Humphrey, for the past two years Kansas state agent of the Phoenix of Hartford group at Wichita, has been named state agent at the metropolitan New York office, his territory to include Long Island, Westchester County and suburban New York. Before going to Kansas, Mr. Humphrey had been in the Connecticut field. He is succeeded in Kansas by George L. Hampton, former state agent, who returns after more than two years in the navy.

#### M. H. Hegbom Returns to Ill. Field

Melvin H. Hegbom, now in civilian clothes, is preparing to resume traveling in the Illinois field for Commercial Union. He was in the army 2½ years and as a technical sergeant with the 77th division he saw service on Okinawa, Guam and the Philippines. He had been with Commercial Union 14 years prior to the war, 10 years in the Illinois field.

#### Berglund to Fireman's Fund in O.

Gunnar E. Berglund has been appointed special agent engineer for Fireman's Fund at Cleveland. He will assist State Agents Sawyer and Martell.

Mr. Berglund was recently discharged from the navy with the rank of lieutenant commander after 4½ years of duty. He is a graduate of Illinois Institute of Technology and Chicago Kent College of Law and has had years of practical experience with the Iowa Insurance Service Bureau and the Chicago Board.

#### Haselton Resumes Syracuse Post

Special Agent Edgar C. Haselton, who has been on leave of absence for over two years, has been discharged from the navy and will resume his duties as special agent of Fireman's Fund at Syracuse, N. Y., with supervision of the 15 counties reporting to the Syracuse office of the New York Fire Insurance Rating Organization.

#### Taylor in Northern Cal.

E. Palmer Taylor has been named special agent in northern California for Security of New Haven. Recently discharged an artillery captain, Mr. Taylor is a native of Hartford and a Yale graduate. He was formerly with the Aetna Life group.

#### Returns to Manufacturers

Lt. G. A. Deininger has returned from service and has been assigned as special

agent in eastern Pennsylvania, Delaware, eastern Maryland and District of Columbia for Manufacturers Fire.

Mr. Deininger was in the European theater for a year with the field artillery.

#### Inspect Battle Creek, Mich.

Following one of the worst years in Battle Creek's history for fire losses, the Michigan Fire Prevention Association is conducting an inspection there this week, the first in nearly five years.

Richard E. Verner and Harry K. Rogers, Western Actuarial Bureau are speakers.

Lee A. Dudley, John B. Deo, local board president, and William Byler are directing local arrangements.

#### Wagner Back in Eastern Pa.

Carl T. Wagner has been discharged from the army and has returned to the American group as special agent in eastern Pennsylvania. Mr. Wagner was a sergeant and saw action in Belgium, France and Germany. Pending location of suitable office space, he is working out of the Newark office.

#### Whitmer Iowa Pond Speaker

DES MOINES—George C. Whitmer, assistant publisher of the Iowa Insurance Service Bureau, spoke at the luncheon of the Iowa Blue Goose. Mr.

Whitmer, chairman of a draft board during the war, recently received a selective service medal from President Truman in Washington. He described the trip.

#### Young with North America in Ia.

Kenneth Young, recently discharged from service, has been named special agent in Iowa of North America. He was with the company in Minnesota before the war.

#### Travels N. C. for Springfield

Alexander S. Badger has been named special agent in North Carolina for the Springfield group. He is from North Carolina and attended the state college, going with North Carolina Inspection & Rating Bureau in 1937. Entering the army in 1942, he has just been released as a first lieutenant.

One member of the Ohio Blue Goose, Walter R. Moore, died in service. Twenty-two have returned from service and 39 are still on duty, Wielder Harry F. Albershardt reports.

Six candidates were initiated at the midwinter splash of the Virginia Blue Goose in Richmond.

George G. Traver of the National Board will address the dinner meeting

next Monday of the Smoke & Cinder Club of Pittsburgh on public relations.

The luncheon meeting of the Sioux Falls Blue Goose featured a demonstration by the police department of the Drunk-O-Meter.

#### Protective Bureau Course for Kalamazoo Police

Having sponsored a one-week traffic training course for New Mexico state police last month, the Automobile Protective & Information Bureau is now conducting a similar course for the police department of Kalamazoo, Mich.

The course teaches scientific accident prevention and is designed to hold down the high collision rate which currently faces insurance companies.

#### Instructors Are Named

Instructors for the course include E. L. Rickards, Wm. J. Davis and Guy W. Shirley, of the bureau and Prof. Joseph Lingo of Purdue University.

The Protective Bureau offers instruction and local traffic survey to any municipality, county or state which requests the service. Bureau officials urge insurance men to inform police and municipal officials about this educational program to combat auto losses.

## GULF INSURANCE COMPANY DALLAS, TEXAS

Annual Statement as of January 1, 1946

#### ASSETS

Cash in Banks and in Office.....	\$ 640,634.75
U. S. Bonds and Treasury Notes.....	1,621,492.25
Corporation Bonds .....	215,521.34
Stocks of Public Utilities.....	647,048.00
Stocks of National Banks.....	445,410.00
Other Corporation Stocks.....	2,259,468.00
Due from Agents and Other Companies (Current accounts only).....	592,165.38
<b>Total "Quick" Assets, Subject to Rapid Liquidation in Emergency</b> .....	<b>\$6,421,739.72</b>
Premium Notes (100% secured).....	263,107.08
Stocks of Federally-guaranteed Savings & Loan Associations.....	134,500.00
*Stock of Atlantic Insurance Co.....	1,043,783.93
(Gulf subsidiary)	
*Stock of Select Investment Co.....	169,741.16
(Gulf subsidiary)	
Mortgage Loans and Vendor's Liens.....	17,170.84
Collateral Loans .....	30,000.00
Home Office Building.....	50,000.00
Other Real Estate.....	10,633.20
Accrued Interest .....	5,588.97
<b>TOTAL</b> .....	<b>\$8,146,264.90</b>

#### LIABILITIES

†Reserve for Losses in Course of Adjustment (Excluding Liability Claims) .....	\$ 490,501.55
†Reserve for Liability Claims.....	215,191.09
Reserve for Taxes.....	102,303.37
Other Liabilities .....	10,234.20
<b>TOTAL</b> .....	<b>\$ 818,230.21</b>

Cash Capital .....	\$1,000,000.00
Net Surplus .....	1,526,216.07
†Reserve for Contingencies .....	650,000.00
†Reserve for Uncashed Premiums .....	4,151,818.62
<b>Funds Exclusively For Protection of Policyholders</b> .....	<b>\$7,328,034.69</b>

<b>TOTAL</b> .....	<b>\$8,146,264.90</b>
<b>Surplus to Policyholders \$2,526,216.07</b>	

All Stocks carried at market value as of December 1, 1945. All Bonds carried on amortized basis. With Bonds and Stocks carried at market value as of December 31, 1945, Surplus will be increased by \$178,458.96

#### INCREASES OVER 1944

Assets .....	\$1,027,885	14.4%
Net Premiums Written.....	409,710	10.3%
Unearned Premiums .....	465,893	12.2%
Policyholders' Surplus (including contingency reserve) ..	520,973	19.6%

\* While Atlantic Insurance Company is a subsidiary of Gulf and this asset must necessarily be carried as "stock" in the Gulf's statement, it should be noted that the bulk of Atlantic's assets consists of Cash, U. S. Bonds & Treasury Notes and Bank & Corporation Stocks, capable of quick conversion into cash. This is also true of Select Investment Company.

† Reserves for "Unearned Premiums" and "Losses in Course of Adjustment" are computed in the manner required by law, and for purposes of safety, legal requirements are far in excess of any anticipated actual need. We thoroughly endorse this principle but we feel the public is entitled to know that these items are "over-reserved."

‡ The item of "Reserve for Contingencies" is over and above all known liabilities and represents additional funds available for unforeseen emergencies.

The Gulf and Atlantic have on deposit with the Texas Insurance Department U. S. Government Bonds with par value of \$800,000 for the protection of policyholders everywhere.

**Our survey service is a valuable aid to the agent who wants to maintain professional standing in his community. Our fieldmen are qualified to assist in the preparation of insurance programs.**

*Write us for particulars*

### New York Underwriters Insurance Company

Ninety John Street

New York

## FRANK BURNS COMPANY

*Complete  
Reinsurance  
Service*

**FIRE & CASUALTY**

## Furriers Customers Rates Up Mar. 1

(CONTINUED FROM PAGE 1)  
ously greater than any other single limit.

The old requirement for a \$50 annual deposit premium has been abolished. The new policy specifically covers "lay-away" furs, referring to furs "owned by or under contract of sale to customers of the named insured." To be protected, however, these "lay-aways" must be covered by a receipt which meets the conditions of the policy.

There are two new endorsements for covering excess legal liability of the insured, one for bailees issuing storage receipts to garment owners and one for bailees storing property of customers of other bailees. These endorsements increase coverage of the legal liability of the insured beyond the limit set forth in the storage receipt and are intended to protect the insured in cases where a customer, on some legal ground or another, is able to break this limit.

The policy covers the legal liability of the insured as before, but this is clarified by a specific exclusion of liability assumed by the furrier under any agreement, express or implied, either to guarantee the results of processing or any other work performed on the furs or to provide insurance on the furs in any manner or in any amount not set forth in the policy.

The rules as to certificates issued by furriers to cover the property of customers outside their custody, in states where this is permitted, and the 50c rate, except in Illinois, were not changed. It is believed, however, that companies which in the past had not strictly enforced the rule that these certificates must be limited to the declared value of the property will be more alert to do so. In actual practice, most certificate coverage has been on less expensive furs, since the owners of more valuable furs generally declare the minimum valuation for storage purposes, to save storage fees, and insure their furs separately. Also the owners of more valuable furs are more likely to be covered under personal property floaters and similar contracts.

## N.A.I.A. Issues Fire Prevention Manual

NEW YORK—The National Association of Insurance Agents has released a colorful and instructive 32-page fire prevention manual titled "It Is Your Business." The basic idea for it was conceived by H. N. Mann of Tacoma, chairman of the association's fire prevention committee. He promoted this project on the premise that fire prevention is good public relations and that the members need guidance and information designed for their particular needs.

The manual stresses the fact that fire prevention is largely a matter of sales promotion and that it is not only a humanitarian activity but an unquestioned business builder. It combines technical aspects with other pertinent features of fire prevention which directly concern the local agent.

### Many Illustrations

Divided into two sections, the manual leads off with a dramatic recital of the ravages of fire, followed by the presentation of a complete community fire prevention program. Pictures make lengthy descriptions and technical procedures needless. Some chapter headings are "Your Answer to Fire's Challenge," "Your Fire Prevention Program," "Your Law and Ordinance Program," "Factory Fire Prevention," and "Rural and Residential Opportunities."

John N. Cosgrove, now editor of the "American Agency Bulletin," was retained to write the manual.

## J. R. Long Royal-Liverpool Brokerage Unit Aid

Royal-Liverpool has appointed John R. Long as assistant manager of the brokerage, general cover and special service departments. He joined Royal-Liverpool in 1929 as field man in Arizona. Prior to that he was with Fire Companies Adjustment Bureau.

Mr. Long was just recently released from the navy as lieutenant commander.

## Mutual Loss Parley March 20-22

The loss managers conference of the Federation of Mutual Fire Insurance Companies has been set for March 20-22 in Chicago, according to Gordon Davis, loss research manager of the federation.

Howard Heath, Northwestern Mutual Fire, Chicago, is in charge of arrangements.

M. L. Landis, Central Manufacturers Mutual, will discuss subrogation; M. H. Stans will analyze the new U. & O. policies from an accountant's standpoint.

There will be a question and answer forum on fire insurance and another on inland marine.

## ATTORNEY WANTED

For permanent high grade connection in relatively small well established professional office in Chicago. Age about 40. Familiar with fire insurance procedures and interpretation of policies and forms and ability to render clear, concise written opinions in excellent English. Attractive salary and opportunity for qualifying party. Give brief review of experience, education and personal history. Address E-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

EXPERIENCED  
AUTOMOBILE  
UNDERWRITER

Loyalty Group  
12th floor  
120 S. LaSalle St.  
Chicago, Ill.

## SECRETARY WANTED

Independent adjustment office in Chicago wants secretary experienced in loss work, congenial surroundings. State experience and salary desired. Replies strictly confidential. Address E-95, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED FIRE UNDERWRITER

Competent fire insurance underwriter for home office and field work on Pacific Coast. Excellent opportunity for young man. Address E-96, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED — FIRE SPECIAL AGENT

Ohio Production Work—Stock Company—Excellent opportunity for man under 35. Give experience in reaping. Address E-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

A competent general insurance analyst and auditor. Field work for a long established Service Organization. Permanent place. Attractive and increasing remuneration. Submit experience, education and credentials in confidence. Address E-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## N.A.I.A. Leaders in New Orleans Rally

**NEW ORLEANS**—President Hunter Brown, Vice-president Guy T. Warfield, Jr., and General Counsel W. H. Bennett were early arrivals for the meeting of the executive committee of the National Association of Insurance Agents which opens here Thursday for three days.

Other committees meeting at the same time are future finance committee, O. Shaw Johnson, Clarksdale, Miss., chairman; metropolitan agents committee, Walter M. Sheldon, Chicago, chairman; and public relations advisory committee, Harold W. McGee, Los Angeles, chairman. About 50 are here, many of the committee men being accompanied by their wives. The visitors were greeted by W. Loring Ferguson, member of the executive committee from New Orleans. The New Orleans Insurance Exchange will be host at a cocktail party Thursday evening at the St. Charles Hotel. In addition to members of the various committees the following are present: Frank C. Colridge, Geo. Du R. Fairleigh, Averell Broughton, John G. Mayer, all of New York; L. P. McCord, Jacksonville, Fla.; Oscar H. West, Washington, and Sidney O. Smith, Gainesville, Ga.

## Premium Budget Plan Now Makes Midwestern Bow

The premium budget plan of insurance closely paralleling the program as introduced in eastern, southeastern and coast states, has now already been introduced in Illinois, Indiana and Michigan and it appears to be destined for midwestern usage before long.

This is an adaptation of the old pro rata term plan that was applicable to a limited class of risk, principally institutions. Under the premium budget plan the treatment is extended to all risks that are eligible to the term rule. The plan may be set up on either a three year or five year basis. There is no requirement for an 80% coinsurance clause. In lieu of the renewal agreement under the former pro rata term plan, there is a premium adjustment clause whereunder the assured agrees that if he fails to renew the cover as provided in the plan, he will pay an additional premium for the insurance that he has used as if the insurance had been written on a straight annual basis.

### Jackson's Attitude

Superintendent Jackson of Missouri in a recent St. Louis address, said that the plan had been filed by the Missouri Inspection Bureau. He went on to say that the rules of some inspection bureaus apparently prohibit the writing of the type of term plan originated by General of Seattle and promoted more recently by North America. Mr. Jackson said that the companies writing this plan in the 22 states where it has been approved say that their scheme is not discriminatory but is simply a competitive practice.

"If it is ever claimed that a group of subscribers to any such bureau control it in preventing free, open and unrestrained competition in commerce and the bureau refuses to relax its rules to prevent such practice, it might be regarded as prejudicial to the public interest and in violation of this provision of the Sherman act," he said.

### Bank-Agent Plan at Philadelphia

A skit dramatizing the operation of the bank-agent auto plan will be presented at the Feb. 25 meeting of the Agents & Brokers Association of Philadelphia. The skit was written by the advertising department of the Aetna group. The entire meeting will be devoted to discussion of the bank and agent plan.

## Unseasonal Winds Cause Heavy Losses in Ohio, Okla.

A high wind in Ohio last Feb. 13 is estimated to have caused \$800,000 wind-storm loss throughout the state. The unusually early wind swept through about 10 p. m., bringing a total of about 10,000 loss claims. The average loss is judged to be \$75-\$100.

Cleveland was the hardest hit area, with about 3500 losses, with other territories as follows: Akron, 1200; Columbus, 1000; Dayton, 750; Portsmouth, 350; Mansfield, 500; Cincinnati, 700; and Toledo, 1000. Another 1000 claims are expected from farm properties.

An unseasonal tornado ripped into Ardmore, Okla., a week ago, hitting the main business district a lick and producing an estimated 1,000 losses in all. The insurance loss may amount to about \$300,000. There was a great deal of glass damage to buildings in the downtown section.

This is the second severe windstorm already this year in the southwest. The first was the one that struck Jan. 5 in east Texas and Louisiana, causing losses in a widely scattered area. It is now estimated that the insurance loss in the Jan. 5 storm will be about \$800,000.

## Erickson Is New Buyers Association President

M. G. Erickson of Quaker Oats Co., was elected president of the Midwest Insurance Buyers Association at the annual business meeting in Chicago this week. Other officers elected are: Vice-president, E. Berquist, Pure Oil Co.; secretary, Miss Margaret D. Gable, Certain-Teed Products Corp.; treasurer, Arthur Murray, Container Corporation of America. Newly elected directors for a three-year term are M. A. Tait, Commonwealth Edison Co., and Mr. Berquist and Miss Gable.

Several amendments to the by-laws were adopted.

Following the business meeting a forum discussion of current problems centered chiefly on debris removal following a fire. This often runs into heavy expense and the members agreed that an endorsement either with no limit or to the limit of the policy was advisable to cover this item. In a loss above 75%, debris removal often amounts to some 25 to 60% of the amount of the policy in industrial buildings and coverage on this item is often necessary.

## New Missouri Department Setup Virtually Completed

**JEFFERSON CITY**—Superintendent Jackson has practically completed the organization of his department. Glenn D. Evans of St. Louis, formerly with the insurance and compensation division of the Associated Industries of Missouri, is deputy superintendent and Ralph C. Lashly is attorney for the department. Alex Good, acting actuary and chief examiner, has had many years of experience in this work.

Other examiners named by Superintendent Jackson are: Homer Norman and Harry Mathie, both of whom served in the department under Republican administrations; Lige Norton, who was with the department in the early 1930s; Alex Hood of St. Louis, who has had many years of insurance company experience; Byron Beavers, William I. Hart, K. Burkhardt, at one time cashier of the old Continental Life of St. Louis, and Lawrence Liggett of Bowling Green. Three new examiners are Price Tribble, Lawrence Stadler and Morris Gordon, son of former State Auditor John P. Gordon.

### Miller Back to Phoenix, Conn.

Following 3½ years in the army, Frank H. Miller has returned to Phoenix of Connecticut as special agent in Colorado, Wyoming and New Mexico. He will be associated with State Agent H. W. Schwartz.

## North America Calls Special Meeting to Broaden Charter

**PHILADELPHIA**—North America has called a special stockholders meeting for March 20 to act on recommendations of the board of directors relating to charter amendments. While the charter was broadened several years ago the board has recommended that it be amended so that the authority of the officers to write insurance and reinsurance shall be as broad as the powers and privileges of the company under its charter or any general law applicable to it of the commonwealth of Pennsylvania, and article VII of the charter be amended to omit certain language inconsistent with the full right of the company to insure a stockholder. One effect of the first change would be to permit the company to broaden its writing powers in accordance with any further liberalization in the Pennsylvania law without having to amend the charter.

## Hollingsworth and Steele to Higher Royal Posts

Royal Liverpool has appointed Clough S. Steele and T. E. Hollingsworth as executive regional managers of the southern department, assisting B. F. Weaver, assistant U. S. manager.

Mr. Steele was formerly assistant manager in charge of the marine and inland marine business on the coast and in 1944 was transferred to New York as assistant marine manager.

Mr. Hollingsworth formerly served as state agent in Virginia, with headquarters at Roanoke. Prior to that connection he was attached to the underwriting department at Atlanta, having also acted as field representative in Georgia territory.

### Buesching Rejoins National

W. H. Buesching, recently discharged from the coast guard, is being assigned by National Fire as special agent in Illinois to travel the territory formerly handled by the late O. C. Hay. Before entering service he was in the western department office as a farm underwriter for nine years. He enlisted in the coast guard in 1941 and was assigned to port security work. Later he was placed in charge of a ship's service store.

### Confirm Allen Nomination

**WASHINGTON**—George E. Allen, vice-president of Home, is expected to take office soon as a director of RFC, following Senate confirmation of his nomination on a *viva voce* vote after considerable debate.

Allen last week told the Senate committee he would resign his \$28,000 a year job with Home, if confirmed. Senator Taft served notice he would demand, also, that Allen sever his other business connection as director of various corporations. This, Allen said, would "punish" him, though he would do it, if demanded.

After Allen takes his oath his friends are willing to bet that it will not be more than a few weeks before he becomes the active head of RFC.

### W. J. Langler Back at Desk

William J. Langler, executive vice-president of Northeastern, is now able to be at his office nearly every day having almost fully recovered from the burns that he suffered when he was caught in a fire at the convalescent hospital in Hartford Christmas eve. Mrs. Langler, who was also severely burned, has returned to her home from the hospital. The Langlers had gone to the home to make a Christmas eve visit to friends who were patients there.

### Agency Is 70 Years Old

The Walls & Walls local agency at Bedford, Ind. will celebrate its 70th anniversary March 1. Representatives of companies in the agency and other friends will be guests at a dinner that

night at the Greystone hotel. The agency is operated by the brothers William L. and J. Frank Walls.

## Vice-President P. G. Craig of Atlantic Mutual Retires

After more than 45 years of service, P. G. Craig is retiring as vice-president and a trustee of Atlantic Mutual and Centennial under the companies' pension plan. He will continue in an advisory capacity.

Mr. Craig joined the organization in 1900. In 1908 he became an adjuster and cargo surveyor. In 1921 was made loss manager and in 1934 was elected vice-president. He has been active in the loss adjustment activities of various marine insurance groups.

## Pioneer Equitable Capital to Be Raised to \$1 Million

A meeting of the stockholders of Pioneer Equitable has been called for Feb. 27 to authorize an increase in capital from \$200,000 to \$1 million.

### Olmsted's Hat in Ring in Ia.

**DES MOINES**—Brig. Gen. George Olmsted, chairman of Hawkeye Casualty, announces he will be a candidate for governor in the June Republican primary. He faces Gov. Blue.

### Open Kansas-Oka. Hail Office

A Kansas-Oklahoma hail office has been opened in Wichita by the Fireman's Fund group with Clark D. Butt as manager. Offices are at 209 Schweiter building, where the companies opened a casualty claim and service office under the direction of W. B. Warren about two months ago. Mr. Butt, who has been with the Wichita office of the Rain & Hall Insurance Bureau for five years, heads the second branch hail office established by the newly organized hail department headed by L. G. Van Zile at Chicago. The other branch office is at Minneapolis.

### Switch to Edgewater Park

**WASHINGTON**—The mid-year meeting of the National Association of Mutual Insurance Agents, scheduled for New Orleans, will be held instead at Edgewater Gulf Hotel, Edgewater Park, Miss., May 27-29. Executive Secretary Philip Baldwin of the association, announces.

### Beatty Speaks to Auditors

R. M. Beatty, executive general adjuster in Cook county for Western Adjustment, spoke this week at a meeting of the Institute of Internal Auditors in Chicago on protection of business assets and business through fire insurance.

Mr. Beatty cited actual loss experience which occurred because of inadequate records or insurance. He emphasized that a firm's insurance department relies on the auditor's figures on inventories and appraisals for his insurance buying. Buyers usually are not enough familiar with values, because of the large number of records involved and therefore the auditors have a great responsibility in keeping these accurate. They must break down records and determine values on individual items, keeping the quarterly report forms up to date.

The auditors represent about 75 of the largest firms in Chicago.

**J. Edward Hedges**, Bloomington, Ind., professor of insurance at Indiana University, visited New Orleans this week to confer with insurance men there.

**Henry P. Latham**, state agent of Aetna Fire in Arkansas for 16 years, who last week was named assistant secretary of the company, will assume his new duties in Hartford April 1. He went to Little Rock as special agent for the Aetna in 1926, and in 1930 was promoted to state agent.

founded Jackson, who had for many years the agency Eau Claire Underwriters.

J. Christopher, firm of Eau Claire, died two years earlier near the old Milwaukee. His company identified years.

Albert for 30 years work, die in Co. Julius B. Herman, general insurance agent, office February coronary Chicago, of A. H. dependent.

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## EDITORIAL COMMENT

### When Time-Tested Methods Fail

Sometimes it is better to backslide a little from the gospel of hard work and instead of putting more steam behind the known methods to sit down and figure out an entirely new approach.

Recently an ingenious mechanical engineer was transferred by his company, a nationwide organization, to New York City where the housing shortage is as bad as it is anywhere. Instead of making the rounds of the real estate agencies or looking for vacancy signs on apartment buildings this man sat down and did some thinking. He decided that if he could learn of someone buying a house-trailer it would probably indicate that the buyer was going to Florida and leaving a house or apartment behind. Accordingly, this engineer began to watch the advertisements of trailers, for sale and wanted, in the daily papers. He soon spotted the ad of a woman in Verona, N. J., who had a trailer for sale. Hurrying out to Verona he learned that the woman had two prospective purchasers. Unfortunately, the one who had a deposit down on the trailer did not intend to travel with it but only to set it up in his backyard and rent it out.

Going to see the other prospect, the engineer found out that he had an apartment which he would gladly turn over if he could obtain a trailer. So the engineer went to the other prospect but first checked with the man's town sanitary authorities and found that the plan to set up a trailer in the yard as living quarters would violate the sanitary code. The engineer informed the prospective purchaser and told him he was sure that the woman would gladly refund the deposit since she had another sure purchaser.

This was done, the other prospect bought the trailer, departed for Florida, leaving the engineer with his housing problem solved.

This incident illustrates how it is sometimes necessary to devise an entirely new method. There will be many new conditions to face in the insurance business as well as elsewhere during the days ahead and to an even greater extent than in normal times. As always, success will go to those who know how to make the best use of time-tested methods and how and when to devise new ones.

### Stimulation of Definite Program

As fire and casualty companies are holding their field gatherings this year one cannot help but notice the definite plans that some companies make from year to year. They do not run from the old year into the new without a look forward and a blueprint for the year ahead. They have in mind certain accomplishments they hope to attain, certain distances they desire to go. This gives a feeling of sureness to those connected with the institution. It means that a company that has a definite plan ahead is not static. It regards insurance as mobile, as kinetic. A company can go forward or it can go backward with about the same effort.

### Need for Competition

A young insurance man who has been highly successful in his work has just returned to civilian life and assumed his duties at his desk which was kept ready for him. He was in the navy. He states that his experience in the navy convinced him beyond all doubt the desirability of the competitive system in private enterprise.

"What the navy needs more than

all," he said, "is a competing navy." He said the present system is deadening. No one attempts to go to his superior officer when he thinks he has a constructive suggestion to make. He will not be received with any cordiality. He will be told that this has been the procedure in the past and there has been no demand to change it.

The effect on the personnel, he added,

is debilitating. There is nothing to incite their imagination and enthusiasm or industry. They follow the same beaten path. There is a hard and fast caste system. Things are done as they have been in years gone by and there is not likely to be a change unless it comes from the Navy Department at Washington. He found that for instance 30 men might be engaged in doing a piece of work that five could easily do.

The competitive system, he declared, tends to put men on their toes. It gives them life and spirit and determination. They are allowed to bring in new processes if they are superior to the old.

They are encouraged to suggest changes where they seem necessary. A man may outstrip his neighbor's ability, capacity and aptitude for the special work in which he is engaged. He receives preference and advance. This is not found in the navy.

These observing young men who have been thinking cannot help but draw a vital lesson from their observations and own experience in the war. This young man returns to his work with great enthusiasm because he is anxious to get away from the deadening life of the navy where all things remain the same from day to day and year to year.

## PERSONAL SIDE OF THE BUSINESS

**William G. Rich**, assistant manager in the Pacific department of Royal-Liverpool, is now a grandfather, with the birth of a son to his daughter, Mrs. Francis Kast, on Valentine day. This is Mr. Rich's first grandchild.

**W. Stanley Pearce**, secretary of the Fireman's Fund group, has been appointed treasurer of the Columbia Historic Park Association—a group of public spirited citizens who seek to make the old mining community a California state park. The legislature recently approved the plan and appropriated \$50,000 to restore it, with the proviso that the public donate an equal amount. Mr. Pearce has succeeded in collecting more than \$30,000 of the public fund so far.

**Weatton A. Williams** this month is rounding out 30 years' service with the Fred L. Gray Co., Minneapolis. His early training was in the Theodore Williams agency, Mankato, Minn., one of the oldest in the state and operated by his father. He joined the Gray Co. in 1916 as a supervisor and except for a period during which he served in the first war, he has been continuously with that company. For the last 12 years he has been vice-president.

**James F. Van Vechten**, Akron, O., a member of the executive committee of N.A.I.A., celebrated his birthday at the midyear meeting of the Michigan Association of Insurance Agents last week. He was a guest speaker on the program and received a birthday cake at the banquet.

**J. F. Springer**, manager of Western Adjustment at Topeka, a past most loyal gander of the Blue Goose, is to be married soon to Clara Sheffer of American Auto, Kansas City.

**J. B. Miller**, former secretary of the National Association of Insurance Agents and now connected with W. H. McGee & Co., has been traveling in the midwest for the last few weeks renewing old acquaintanceships and making new contacts.

**Milton R. Bennett**, local agent at Sidney, O., has returned from a three weeks' vacation with his wife and daughter Carolyn at Fort Lauderdale, Fla. Mr. Bennett is a trustee of the Ohio Association of Insurance Agents.

**Thomas G. Linnell**, Minneapolis general agent, has been appointed as regional representative of the executive board of the Lake Forest Alumni As-

sociation for Minnesota, northeastern Wisconsin, North and South Dakota. Thomas Linnell, Jr., is attending Lake Forest since returning from the army. L. M. Linnell, father of T. G., a retired fire insurance executive, also went to Lake Forest.

## DEATHS

**Aloysius W. Smith**, for several years manager of the insurance department of the Minneapolis National Co., died there. He retired in 1943.

**Frank J. Schafer**, executive vice-president of the Meeker-Magner Co., class 1 agency of Chicago, died at his home in Oak Park from heart complications after returning from a hospital where he had gone some weeks ago for observation. About five years ago he suffered a coronary thrombosis.

Mr. Schafer had been with the agency for 21 years and had been in the insurance business at Chicago about 36 years. He was a native of Chicago and in early business life was connected with the George W. Jackson Co., contractors. In 1910 he went with the General Accident's claim department in Chicago and became claim manager, remaining until 1925 when he joined Meeker-Magner as vice-president.

He was a member of the firm and the executive officer in charge of administrative and underwriting work. A daughter, Catherine, is associated with the life department of the Moore, Case, Lyman & Hubbard agency in Chicago, and a son, Frank J., Jr., is a lieutenant (j.g.) in the navy in China. Mr. Schafer also is survived by his widow, who resides in the home at Oak Park.

**R. T. Magner**, vice-president, temporarily is in executive charge of the agency. Mrs. M. L. Magner is president and Thomas G. Magner is treasurer.

**Clayton H. Underhill**, 81, local agent at Sharon, Wis., and secretary of Sharon Fire, died there after a long illness. Last spring he was awarded a 50-year membership certificate in the Masonic order.

**Willard G. Jackson**, 85, for 55 years active in the insurance business at Eau Claire, Wis., until his retirement two years ago, died there. He started in the business in 1889 with the agency

## THE NATIONAL UNDERWRITER

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BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

### BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.  
BOSTON 16, MASS.—80 Boylston St.—Room 1227. Tel. Hubbard 8896. William A. Scanlon, Vice-President.  
CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowlees, Advertising Manager.  
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MINNEAPOLIS 2, MINN.—503 Northwestern Bank Bldg., Tel. Bridgeport 7838. R. W. Landstrom, Resident Manager.  
DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwest Manager.  
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Associate Editor, Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.  
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 2706. E. H. Frederikson, Resident Manager.  
SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

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founded in 1877 by his father, Martin Jackson. Willard V. Jackson, his son, who had been associated with his father for many years, is now directing head of the agency. He is now president of the Eau Claire Board of Fire & Casualty Underwriters.

**J. Chris Nungesser**, 78, member of the firm of Bernard & Nungesser, New Orleans, died there following an illness of two years. He started his insurance career nearly 62 years ago as office boy for the old Mechanics & Traders of New Orleans. His agency still represents that company. A son, J. Chris, Jr., has been identified with the agency for many years.

**Albert J. Zinns, Jr.**, Milwaukee agent for 30 years and prominent in safety work, died there. He was with the Roberts Co. about 20 years and with the Julius Bacher agency the past 10 years.

**Herman W. Borchers**, Chicago general insurance broker and assistant general agent of Aetna Life, died in that office Feb. 14 following an attack of coronary thrombosis. He was born in Chicago Dec. 14, 1876, and was a brother of A. H. Borchers, well known independent adjuster of that city.

Herman Borchers went with the old Moore & Jones class 1 agency there (now Moore, Case, Lyman & Hubbard) as a clerk in the underwriting department in 1895. He became accountant for the agency and then went with the Henry P. Magill & Co. agency in 1911. Two years later he joined the old Morrison & Blew agency there in charge of the office personnel and doing production work. When John A. Morrison withdrew in 1916, Mr. Borchers went with him.

He went with Massachusetts Bonding in 1918, and soon returned with Mr. Morrison, to remain until joining the late S. T. Whatley, agency vice-president of Aetna Life in 1923 when he was named Chicago general agent.

**Arthur Croxson**, first vice-president and treasurer of the Rollins-Burdick-Hunter Company agency of Chicago, died at Evanston hospital Monday of cerebral hemorrhage. He had been in the hospital about three weeks but prior to that had been as active as usual. Mr. Croxson was primarily an ocean marine man. He was a close student and his knowledge was always precise. He was positive in his assertions.

He started in New York with Johnson & Higgins and then moved to Chicago with J. & H. Later he and T. J. Prindiville, now chairman of R. B. H. in charge of the New York office, formed Prindiville, Croxson & Co., and this was later merged into Rollins-Burdick-Hunter.

Mr. Croxson was 62 years of age. He had been residing on a farm near Barrington, Ill.

Mr. Prindiville went to Chicago for the funeral Wednesday.

**W. W. Gallup**, 70, local agent in Waterloo, Ia., died there of uremic poisoning. He had been in the insurance business there since 1910.

**Richard C. Williams**, general adjuster of Hanover has been bereaved by the death of his mother, **Mrs. Victoria Williams**, at Pasadena, Cal.

**Fred A. Martin**, 70, local agent in Monmouth, Ill., for more than 40 years, died there from a heart ailment.

**Mrs. T. J. Falvey**, wife of the founder and president of Massachusetts Bonding, died at Swampscott, Mass. She is survived also by two sons, Wallace J. Falvey, executive vice-president of the company in New York and Donald, secretary-treasurer at the home office.

**S. Royden Fanning**, manager of the bonding department of Hare & Chase, Philadelphia agency, died there at 50. He had been treasurer of the Surety Association of Philadelphia 14 years and had been with Hare & Chase eight years.

### \$90,000 Loss in Evanston

Fire of undetermined origin caused an insurance loss estimated by adjusters at \$40,000 to a combination business apartment building in Evanston, Ill., with a contents or insurance loss estimated at \$50,000. Coadjusters on the building were Western Adjustment and Underwriters Adjusting. Western handled the greater portion of the contents loss and Frank L. Erion & Co. the remainder.

A shoe shop in the building incurred an estimated 50% loss on \$15,000 stock coverage and \$10,000 furniture and fixtures cover. Loss payable to a men's shop will be \$5,000; to a restaurant \$8,000 for contents with an undetermined amount for business interruption; \$1,000 loss to a florist; \$500 loss to an insurance agent, \$1,000 to a shoe repair shop, \$1,000 to a knit shop; \$1,500 to a tailor, and \$500 to a residential tenant. A number of the tenants including the proprietors of a drapery shop and a music shop had no insurance.

Maurice L. Rothschild, Inc., State street store which owned the building carried rent insurance, but the status of the rent loss is complicated by the fact that all the leases in the building were to expire in May, when the structure was to have been razed.

### Lowe Goes with Raines & Co.

**LITTLE ROCK** — Chester Lowe, chief of the auditing division of the Arkansas Fire Prevention Bureau, has resigned as of March 15 to join the E. E. Raines Co., general agency here as special agent to travel northeast Arkansas. He has held his post in the division since 1943. Mr. Lowe started in insurance in a small local agency at Gillett, Ark., and later was auditor for the bureau, then was connected with Shepherd & Co., general agents, returning to the bureau in 1943 to head its audit division.

### Fire Assn. Veterans Return

Three service men have recently returned to the western department of Fire Association.

Henry S. Cobb, who was special agent in Minnesota, has returned after 4½ years in the army in both Japan and Germany in a medical unit. He has been assigned as special agent in Illinois.

Howard D. Worth, who spent 22 months in the navy, 18 of which were in the south Pacific on an LST, has returned and is again in charge of the brokerage department.

William A. Foster, adjuster in the automobile department, has returned after 46 months in the army with an evacuation hospital. He was awarded the bronze star and Purple Heart.

### Natl. Fire Secretary Retires

Wilson H. Hinsdale, secretary of National Fire group, has retired and Robert M. Senn, assistant secretary, has resigned.

Mr. Hinsdale joined National Fire in 1909, served variously in the field and home office and was elected secretary in 1940, continuing to supervise New England.

Mr. Senn is returning to North Carolina to become a member of the firm of Thomas Gresham Redden, Inc., in Greensboro. He joined National Fire group in 1940 as state agent in both Carolinas, in 1944 was named agency superintendent and last year became assistant secretary.

### \$99,000 Loss at Winona, Minn.

The Y. M. C. A. building at Winona, Minn., covered by \$99,000 insurance, was completely destroyed last week. Western Adjustment, Chicago, reports that fire losses have been particularly heavy in this town within the last several years.

Fred Calvert will continue to operate the N. E. Calvert & Son agency, Hillsboro, O. N. E. Calvert died recently.

## Late Casualty News

### N. Y. Commission Against Action Now on Medical Care

ALBANY—Further study before any definite action is taken on a state medical care plan was recommended in the majority report of the temporary state commission set up to devise a plan to make medical care available to all people in the state. The report mentions the great cost of any such a plan, its experimental nature as a governmental function, and the fact that it would affect 13 million people. It estimates that the cost would be about \$400 million a year or at least \$30 per capita, "too great an expenditure to be imposed on the people of the state, either directly or indirectly through governmental authority, until there has been more experience in the field of medical and hospital insurance."

The majority's report accords with the opinions of most insurance men, who have long felt that the greatest danger from state medical care plans is the hasty adoption of poorly thought out plans which though well intended fail to take all factors into account.

### Four Minority Reports

One minority report, signed by Dr. B. C. MacLean, chairman of the commission, and four others, proposes a program of medical, dental and hospital care for children less than eight years old. Minority report No. 2 signed by two members, calls for complete medical care financed by a payroll tax.

The third minority report would extend public health and welfare services, while the fourth merely urges the legislature to further the project on which the commission has been engaged.

### Illinois Accident Forms Plague Companies, Insured

Illinois claim departments report they are swamped with the extra work of filling out state motor accident reports for insured. While under the new safety-responsibility act this form is supposed to be filled out by the driver, it is formidable and technical enough so that many can't understand it. So they wait until they report to the insurance company to pick up certificates of insurance and then ask insurance clerks to fill the whole thing in for them and the company people cannot very well refuse such a request from customers.

Resigning itself to having to perform this service, at least one company makes carbon copies of the state report at the same time for company purposes. The company thus has a complete record of the accident with no extra work.

One fear which the companies have expressed is that the certificate of insurance, which they present to policyholders as proof to the state they are insured, may be interpreted by the state to mean that the company acknowledges the loss and will pay it without question. This difficulty arose recently in Wisconsin. The companies finally convinced state officials that this was merely an acknowledgment of insurance and not a guarantee to pay the claim.

### Pacific Employers Takes Larger Nashville Office

NASHVILLE — Pacific Employers has moved its branch here to 206 Union street. Increase in business made considerably larger quarters necessary. C. C. Diehl has been manager here since 1943 and the business has grown constantly under his leadership.

An aid to hospitalization sales—the Hospitalization folder. Get samples from The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

THE  
PHOENIX-CONNECTICUT  
GROUP  
of  
Fire Insurance Companies



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Insurance Company, Hartford, Conn.  
1854

**The Connecticut**  
Fire Insurance Company, Hartford, Conn.  
1850

**EQUITABLE**  
Fire & Marine Insurance Company  
PROVIDENCE, R.I.  
1859

ATLANTIC FIRE INSURANCE CO.  
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.  
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.  
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MINNEAPOLIS F. & M. INSURANCE CO.  
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## Cash Sickness Plan Passes Cal. Senate; May Prove Sales Aid

**Analogy Seen to States  
Having Competitive State  
Comp Funds**

As was generally forecast, the California cash sickness benefit bill passed the assembly by a wide margin, the vote being 66 to five. Most of the opposition was due to efforts of the C.I.O., which contended that passage of the bill would postpone consideration of a medical care and hospitalization law in California for at least a decade.

There is no doubt that Governor Warren will sign the bill, since it is his pet measure and he had indicated no objection to the amendments which insurance people were able to obtain to permit the writing of privately insured or self-insured plans as liberal as the state's.

While the bill, even in its amended form, has been regarded dubiously by some insurance men, a feeling is developing that perhaps the new law will create a very substantial market for group plans and perhaps also for commercial policies. It is generally conceded, though, that individual industrial weekly and monthly policies will be hard hit.

### Like Competitive Comp Fund

Some observers feel that the law will stimulate great interest in the subject of accident and sickness insurance and that many employers can be sold the idea of purchasing insurance from private carriers which would be better adapted and more liberal than the state plan. It is pointed out that making the coverage optional as between the state fund, the private companies, and a self-insured plan parallels the situation in states having competitive funds for workmen's compensation insurance.

While it is necessary to obtain the approval of the California unemployment insurance commissioner for self-insured privately insured plans, no trouble is looked for on this score as the commissioner has shown no hostility to the amendments and has in fact proved very cooperative. For all these reasons the hope is growing that instead of causing a drop in group coverage, which occurred to the extent of about 80% in Rhode Island, the California plan will act as a sales stimulant.

### Effect on Commercial Policies

What the effect will be on commercial A. & H. sales in California will depend on whether the existence of benefits guaranteed by governmental plan will stimulate the sales as has been the case to a considerable extent with social security and life insurance. Those who hope that sales of commercial policies will be stimulated point out that the present average of commercial policies is fairly low, consequently there would be little danger of overinsurance even though the state benefits were added. Yet the existence of these state benefits might well have the effect of convincing a prospect that he could set up a reasonable adequate accident and sickness program by the purchase of a moderate amount of commercial A. & H. coverage, since he would already automatically have a backlog of state insurance.

For example, an employe making \$50 a week would have a maximum of \$20 a week.

(CONTINUED ON PAGE 28)

## Pack 11 Sessions Into Pittsburgh Day March 4

The complete program for Pittsburgh Insurance Day March 4, is announced by the Insurance Club of Pittsburgh.

The luncheon will feature an address by Edward C. Stone, U. S. manager of the Employers group. He will be introduced by Commissioner Neel of Pennsylvania. The luncheon will be under the auspices of Pittsburgh Association of Insurance Agents and its president, Charles A. Reid, will preside.

At the big dinner the speaker will be Elmer W. Sawyer, general counsel of the National Association of Insurance Brokers. The toastmaster will be Chas.



H. P. Stellwagen



C. H. Bokman

H. Bokman, manager for New Amsterdam Casualty. Mayor David L. Lawrence, who is a member of the Insurance Club as president of Harris-Lawrence Co., will extend greetings. The president of the club, Val E. Schott, Aetna Casualty, will introduce the distinguished guests.

During the day there will be nine educational conferences.

At 10 a.m. there will be a fire insurance conference, with Edward W. Elwell, U. S. manager of Royal Exchange, as speaker. Presiding will be Paul W. Newman, Travelers Fire, and Paul J. Mullen, Phoenix of London.

Also at that hour will be a surety conference with E. Vernon Roth, secretary, Surety Association of America, as speaker, and Ralph A. Rohrich, Maryland Casualty, as presiding officer.

The casualty claims conference is also set for 10 with George W. Orr, director of claims of U. S. Aviation Underwriters, as speaker. Presiding will be E. S. Koenig, Indemnity of North America, and G. J. O'Rourke, Hartford Accident.

At 11 a.m. there is to be a casualty conference with H. P. Stellwagen, executive vice-president Indemnity of North America, as the speaker. Presiding will be James P. Renshaw, Massachusetts Bonding, and W. H. Osborn, Aetna Casualty.

The inland marine conference is also at 11. Speaker is F. Stuart Bankhardt, vice-president of Security of New Haven. Presiding will be Messrs. Newman and Mullen.

At 2:45 p.m. comes the automobile conference with R. I. Catlin, vice-president of Aetna Casualty, as speaker. Presiding will be Messrs. Renshaw and Osborn.

The accident and health conference comes at the same hour. Edward H. O'Connor, executive director of Insurance Economics Society, is the speaker and James A. Robertson, Columbian National Life, is presiding officer.

At 3:45 p.m. is the life insurance conference. Speaker is Hilbert Rust, Insurance Research & Review. Presiding are Hugh Kemp, Connecticut General Life, and C. Brainerd Metheny, Fidelity Mutual.

There is also to be a public relations conference at that hour. Speaker is Harry G. Helm, advertising manager of Glens Falls. Presiding will be Mr.

## Dineen Marshals His Arguments for Uniform Accounting

**Vital in Meeting Federal  
Scrutiny He Tells  
N. Y. Legislature**

NEW YORK—In his preliminary report to the legislature Superintendent Dineen strongly urges passage of a law providing for uniform classifications of accounts and one to prohibit boycott, coercion and intimidation.

The New York law is broad enough to sustain criminal prosecutions for boycott, coercion or intimidation, the superintendent points out, but there is some question whether the general business law covering the same practices applies to insurance. The law as to rates and rating organizations permits price fixing combinations prohibited by the general business law. This conflict creates an uncertainty which might force a citizen to go to the Department of Justice in Washington with grievances. Mr. Dineen wants to make sure that New York has the necessary legal machinery to deal effectively with the three offenses.

The department is not asking for any immediate action on state legislation involving the Clayton act, federal trade commission act, and other features of the Sherman act because they can be considered by the 1947 legislature well in advance of the expiration of the moratorium in public law 15.

### Hits Companies' Arguments

Mr. Dineen marshals extensive arguments in favor of the uniform accounting bill, saying that the industry admitted that the uniform classification of accounts was essential to proper regulation of utilities because they were monopolies but contended there were no monopolies in insurance because of intense competition. The superintendent points out there are some phases of the business which bear a marked analogy to the utility field, citing that 46 of 60 companies writing fidelity and surety insurance in New York City belong to a single rating bureau, that 91.4% of 1944 fire business in New York state was written by members and subscribers of a single rating organization, and that 55.1% of the 1944 automobile personal injury and property damage liability coverage written in New York was written by companies charging identical prices for their policies.

To the companies' contention that a utility sells power at wholesale rates which the insurers do not, the superintendent states that for years large risks in the business have in effect been receiving wholesale prices.

No substantial benefit can be derived from misallocating items between the loss and expense accounts, the companies contend, but Mr. Dineen states that the experience of the department has been directly to the contrary. For example, in certain rate structures the transferring of expense items to the loss column has tended to increase the cost of insurance to the public.

The superintendent denies that the state would permit him to dictate bookkeeping methods. The supervisory authority has no interest in the mechanical devices used to produce statistical results, he states, but is interested simply in making certain that comparable items find themselves in comparable accounts.

As to the fear of companies that there might be a variety of standards prescribed by various states, Mr. Dineen

(CONTINUED ON PAGE 32)

Schott and William A. Shaw, National Union Fire.

## A. M. A. to Bracket Prepaid Medical Care Groups

**Fishbein Tells Ill. Federation of Plan to Standardize,  
Integrate, Promote**

The new plan of American Medical Association to federate the various pre-

paid medical care plans throughout the country that are sponsored by state and county medical associations was sketched by Dr. Morris Fishbein, editor of the "Journal" of the American Medical Association at the annual luncheon meeting of the Insurance Federation of Illinois in Chicago Tuesday.

This program had been announced by Dr. Fishbein at a conference only last Friday so that he had a message of outstanding news interest for the group.

There is set up in the American Medical Association what is known as Associated Medical Care Plans, Inc. This will apparently bear somewhat the same relationship to the local plans as the American Hospital Association Hospital Service Commission bears to the Blue Cross plans throughout the country. It will pass on their medical and actuarial procedures. It will undertake to encourage the formation of new plans and the expansion of existing plans to new territories, and in general it appears to be the intention for what might be termed the Chicago holding company to provide overall guidance.

### Place for Commercial Insurers

Dr. Fishbein went on to say that if the local medical societies prefer to form a liaison with commercial insurers such as is being done in Ohio and Wisconsin, that would be acceptable to headquarters. He indicated that these commercial insurers would be expected to get clearance with the headquarters organization. Having got such recognition, he said, they would be permitted to carry the seal of the American Medical Association on their literature and they could advertise in medical journals. As a matter of fact, it could be gathered from what Dr. Fishbein said, that the program might be aimed at getting accident and health insurers of all types to seek A.M.A. recognition.

One objective of the headquarters organization will be to promote standardization of benefits and operations. A prepayment plan must first have the approval of the state or county medical society in its area. The medical profession in the area must assume responsibility for the services included in the benefits. There must be a free choice of a qualified doctor and the personal, confidential relationship between patient and physician must be guaranteed.

The plans may be in terms either of cash indemnity or service units with a provision that the cash benefits must be used to assist in paying for medical service.

The council on medical service of the A.M.A. will pass on the plans and those that qualify will become members of

(CONTINUED ON PAGE 31)

## Brokers' President Scans Fidelity, Surety '46 Outlook

**Producer Is Vitally Interested in Campaign to Woo Architects**

Elmer C. Anderson of Employers Liability was elected president of the Surety Association of Boston at the annual meeting. Victor Ploppenburg, Standard Accident, is vice-president; Andrew W. Caldwell, Century Indemnity, secretary, and George W. Berry, Massachusetts Bonding, treasurer.

Harry E. Moore of Boston, president of the National Association of Insurance Brokers, gave some sidelights on the activities of the all industry committee of which he is a member. He said that the committee had accomplished much but he thought there is small chance of attaining uniformity of state laws. He feels that federal regulation will eventuate sooner or later.

### Building Boom Slow to Start

Mr. Moore remarked that contrary to expectations in some quarters, no speedy resumption of peacetime construction took place in the months following V-J Day, nor is there any sound indication that this resumption will be seen on a major scale during 1946, owing chiefly to rising costs of labor and material, as well as some difficulty in obtaining certain types of material. Both public and private sources, however, are all set to build, and when the construction rush develops it will be matched to a definite extent by a demand for adequate contract bond facilities.

Brokers, he said, are interested in the reactions of architects on both public and private jobs. The average archi-



H. E. Moore



Elmer C. Anderson

tect is personally concerned with the coverage afforded by contract bonds and in fact some make it a practice to recommend surety bonds on construction work, he declared. That is a point which should be kept in mind by underwriters, brokers and agents, conscious of the healthy influence exerted by these responsible professional men.

"There is an avenue of new business opening up of considerable interest. With business in general getting into stride as reconversion becomes a fact instead of merely a plan, and with large numbers of new employees absorbed in this expansion by both mercantile and financial concerns, there will be a renewed demand, or at least a need, for fidelity bonds."

"What must be emphasized is the necessity of selling responsible heads of these expanding concerns on the urgency of covering new employes and at the same time of safeguarding their increasing assets through employee dishonesty bonds."

"In other words, 1946 will be a year of invitation to the alert surety-fidelity producer and underwriter, because of

## Pabst Western Manager of United National

John Pabst, who recently resigned as manager of the western department of Fireman's Fund Indemnity, has been appointed resident manager in charge of underwriting and production operations in western department territory of United National Indemnity, the casualty running mate of National Fire. He will be under the general supervision of E. H. Forkel, vice-president of National Fire and of United National Indemnity.

Mr. Pabst's experience dates from 1920 when he started as a special agent



JOHN PABST

in northern New Jersey with Aetna Casualty. He was subsequently with Globe Indemnity in New Jersey, New York City, and Philadelphia before being sent to Chicago as executive representative in charge of the mid-western operations of Globe Indemnity. In 1926 Mr. Pabst joined Indemnity of North America in Chicago with supervision of the western department states, where he remained until going with Fireman's Fund Indemnity as western manager when that company was organized in 1930.

Mr. Pabst only recently returned to civilian life, having completed over 50 months of duty in the navy in which he held the rank of commander. He saw considerable service in the Pacific and in the Philippines. He served in the navy also in the first war.

Mr. Pabst is past president of the Chicago Casualty & Surety Managers Association.

### C. O. Fischer Heads Nominators

WASHINGTON—The U. S. Chamber of Commerce board of directors has selected a committee to nominate chamber officers to be elected at the convention at Atlantic City, April 30-May 2. The committee is headed by Chester O. Fischer, vice-president Massachusetts Mutual Life, and also includes in its membership Carl N. Jacobs, Hardware Mutual Casualty, Stevens Point.

the upswing of private enterprise and the downward trend of fidelity rates."

The broker also is sensitive, he said, to the current methods of arbitration of disputes arising from fidelity and surety claims. Protracted litigation frequently results when a company does not provide a fair and speedy decision as to losses, and much good will be dissipated when arbitration of a claim is not resorted to and litigation delays settlement.

Mr. Moore suggested that some sort of voluntary and impartial facility be provided for prompt allocation of loss in cases where two or more companies are unable to compose their differences or determine their individual share of the loss.

## Every Am. Auto Prospect (Except Collision) Pleases

The American-Associated Companies turned in a mixed underwriting performance in 1945, but the over-all results are satisfactory, President O. L. Schleyer reports. The underwriting results for the fire companies were unfavorable due particularly to the automobile lines. The effects of these conditions will be partially relieved in 1946 by rate increases that have been put into effect, but it is doubted that the increases, particularly as regards the collision rates, will prove sufficient to compensate for the continuing high collision losses, Mr. Schleyer declared.

Also he expressed doubt that the auto casualty rate increases have been commensurate with the losses arising out of a still mounting accident frequency, coupled with unparalleled repair and replacement costs.

Mr. Schleyer announced that last November American Auto made available to Associated Fire & Marine additional funds in the amount of \$740,000, thereby increasing its capital to \$600,000 and surplus to \$612,987. This brings the capital of Associated F. & M. up to the same level as that of American Auto Fire.

American Auto Fire, because its writings are confined principally to automobile material damage coverages, has taken the brunt of the currently unfavorable loss experience. Its surplus also had to absorb the much heavier unearned premium reserve requirements of a substantially larger volume of business in 1945. It is the intention in April to place \$1 million additional funds to the surplus account of American Automobile Fire. This company had a loss ratio of 73.2 on an earned basis.

### Assets and Surplus

American Automobile assets are \$40,867,830 and surplus to policyholders \$17,411,657.

American Auto Fire assets are \$6,551,712, and surplus to policyholders \$1,198,875.

Associated Indemnity assets are \$15,201,662 and surplus to policyholders \$15,201,662.

Associated F. & M. assets are \$1,657,511 and surplus to policyholders \$1,212,987.

American Automobile had premiums written of \$19,721,957 which was an increase of about \$3 million. The loss ratio on an earned basis was 50.2 and there was an underwriting gain of \$1,030,035.

American Auto Fire premiums were \$7,543,708, increase about \$1,700,000, the loss ratio was 73.2 and there was an underwriting loss of \$1,580,875.

Associated Indemnity premiums of \$7,033,185 were about \$2 million less than the previous year, the loss ratio was 58 and there was an underwriting gain of \$812,342.

Associated F. & M. had premiums \$403,438, loss ratio 47.8, underwriting loss \$28,409.

The combined premiums of the four companies were \$34,702,289, an increase of about \$2,700,000, the combined loss ratio was 56.6 and there was an underwriting gain of \$233,091.

### Increase Mass. Compulsory Limits

BOSTON—There was no opposition before the Massachusetts legislative insurance committee on a bill to increase limits on compulsory automobile liability for personal injuries from \$5/10,000 to \$10/20,000.

## Bank Publication Predicts Blanket Bond Revisions



O. L. Schleyer

The February number of the American Bankers Association's "Protective Bulletin," issued by its insurance and protective department, says that a number of changes in bankers blanket bonds will soon be announced by Surety Association of America and that this action is expected in February. The changes, the article says, were agreed upon in November after conferences between the two organizations. No additional charge will be made for any of the broadening of cover.

Forms No. 2 and No. 24 will be broadened to include outright loss of furnishings, fixtures and equipment. At present, these bonds cover damage to this property.

### Theft of Office Equipment

This change has been advocated for some time. Under present conditions, typewriters, calculating machines and other office equipment items are easily sold to "fences" with little risk and hence attractive to thieves, so many banks have feared they are in as much danger of loss of these items as raids on money.

Form No. 24 will be extended to cover property in transit in the custody of messengers for other banks, trust companies or public officials and abstracts of title and marine insurance policies will be added to the definition of property covered.

### Other Changes

The misplacement rider for form No. 2, optional for an additional premium, will be changed to provide the same coverage as this section of forms No. 8 Revised and No. 24. The reinstatement premium provision of Forms No. 2 and No. 24 will be dropped, so the waiver of restoration premium will no longer be needed. An optional rider will be available, covering as employees attorneys retained to perform legal services for the insured bank, the article says. Also, section D, which covers forgery of checks, drafts and similar instruments, will be revised to make it clear that warehouse receipts, bills of lading and similar title documents are not covered under this section. These instruments are covered under section E, which applies to various securities.

The "Protective Bulletin" points out that most of these changes will not apply to form No. 8 Revised and urges banks to convert this coverage to form No. 24. Under the changes of last year, the rates are the same for both forms, if the tellers shorts exclusion is added to form No. 24.

### Younger Underwriting Manager

Norval C. Younger, who was with the company before the war, has been named underwriting manager of Republic Mutual, Columbus, O.

that the statement was considerably distorted.

The statement by Mr. Cohen which was taken entirely out of its context was made in the discussion of the confining illness clause. He said that there seemed to be virtual unanimity on the necessity for a change at least in the interpretation of the clause but the question was whether it should be in the policy or not. In that connection he asserted that the departments can rely on the companies' interpretation some are all right, but another group have given the business a bad name.

One large section of the report of the commissioners' meeting was erroneously tied in with that of the mid-year meeting of the Health & Accident Underwriters Conference, at which many of the same topics were under discussion.

# NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

## FINANCIAL STATEMENT

December 31st, 1945

### ASSETS

Cash in Banks . . . . .	\$ 3,282,233.65
Investments:	
Bonds of United States Government . . . . .	\$11,438,768.36
All other Bonds . . . . .	1,456,194.54
Preferred Stocks . . . . .	7,148,232.00
Common Stocks . . . . .	11,449,229.95
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary . . . . .	31,492,424.85
Premiums in Course of Collection, Not over 90 Days Due . . . . .	2,172,903.54
Accrued Interest . . . . .	1,502,980.65
Reinsurance and Other Accounts Receivable . . . . .	44,418.02
Home Office Building . . . . .	54,060.97
<b>TOTAL ADMITTED ASSETS</b> . . . . .	<b>\$39,049,021.68</b>

### LIABILITIES, CAPITAL AND SURPLUS

Reserve for Losses and Loss Adjustment Expenses . . . . .	\$ 4,169,253.28
Reserve for Unearned Premiums . . . . .	8,599,100.66
Reserve for Commissions, Expenses and Taxes . . . . .	1,984,843.07
Capital Stock . . . . .	\$ 2,500,000.00
Voluntary Reserve for Fluctuations in Security Prices . . . . .	4,278,021.37
Surplus . . . . .	17,517,803.30
<b>Surplus to Policyholders</b> . . . . .	<b>24,295,824.67</b>
<b>TOTAL</b> . . . . .	<b>\$39,049,021.68</b>

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized or investment values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments were carried at the December 31st, 1945 market quotations, total assets, voluntary reserve for fluctuations in security prices and surplus to policyholders would be increased by \$470,939.43. Bonds carried at \$1,155,500.00 are deposited as required by law.

## CHANGES IN CASUALTY FIELD

### Hartford Steam Boiler Promotes Henshaw, Hyde

Hartford Steam Boiler has elected Wallace H. Henshaw assistant vice-president and Irving B. Hyde comptroller.

Mr. Henshaw graduated from the engineering course of Brown University.

He had 13 years' experience in the underwriting of boiler and machinery insurance before joining Hartford in 1936 as a special agent. In 1940 he was appointed editor of the company magazine "Locomotive", and two years later was made assistant superintendent of agencies. He was made superintendent of agencies in 1942 and underwriting secretary in 1944. In his new capacity he will have charge of all underwriting matters.

Mr. Hyde graduated from the business school of University of Pennsylvania.

He had had extensive experience in insurance company and agency accounting before joining Hartford Steam Boiler in 1942 as chief accountant.

### Col. Reese F. Hill Goes with American Casualty of Reading

American Casualty of Reading, and American Aviation & General have ap-

pointed Col. Reese F. Hill assistant to the president. Colonel Hill was recently discharged from the army after his return from Germany, where he completed his assignment as the American insurance representative of the U. S. office of military government for Germany. His task was to supervise and control all German insurance companies in collaboration with insurance representatives of the other allied powers.

Immediately after he received his B.S. degree in business administration at the Citadel, Charleston, S. C., he started his insurance career with Fidelity & Casualty. During his 10 years with that company he received training and experience in the accounting, underwriting and production divisions. He saw service in both the home office and in the field. His last position, prior to entering active service as a first lieutenant in the coast artillery in 1940, was underwriting superintendent and assistant to the manager of the Washington, D. C., branch.

Upon his entry into active service he was first assigned to the army's construction division to assist in expediting the construction of vital training areas and the erection of essential war plants for the production of arms, ammunition and equipment.

In December, 1940, he was assigned to the task of handling all insurance matters involved in construction division procurement.

In February, 1941, pursuant to a request of the undersecretary of War, he was assigned to the office of the under-secretary of War to organize, staff and head an insurance division for the War Department.

This division was responsible for all insurance matters and for all insurance and liability contract provisions, involved in War Department procurement, throughout the world. It became one of the largest insurance operations in the world.

Colonel Hill remained in charge of the War Department insurance division until September, 1945, when he was assigned to Germany as the American insurance representative.

was the manager. The next year he transferred to National Surety as assistant manager at Dallas, and in 1935 was assigned to Oklahoma City as state manager.

### Broucek Promoted by Hartford A. & I.

Hartford Accident has elected Joseph Broucek vice-president and comptroller. He has been comptroller since 1940.

Mr. Broucek joined Hartford A. & I. in 1920. He was elected assistant secretary in 1937, and has been in charge of the accounting and statistical affairs since 1939.

### Carton New President of Wolverine of Lansing

LANSING, MICH.—Following a request of Dean W. Kelley, Lansing attorney, to be relieved of the presidency of Wolverine, the directors have elected John H. Carton president. Mr. Carton, also an attorney, began his practice in Mr. Kelley's office and has been assistant general counsel of Wolverine under Mr. Kelley, who was general counsel as well as president. He continues in the former capacity and becomes a member of the executive committee and board chairman.

It was announced that the company has requested admission to Iowa. It was licensed in Minnesota in 1945.

### Schroeder Joins Globe as New England Overseer

John G. Schroeder, Jr., has been appointed for Globe Indemnity as special representative in New England with headquarters at Boston. His territory does not include metropolitan Boston where Dewick & Flanders continue as general agents.

Mr. Schroeder joined Globe as special agent in Connecticut in 1929. In 1933 he went with the Herbert E. Morris agency, New Haven, as special agent. In 1939 he became Syracuse manager of Massachusetts Bonding and was transferred to Philadelphia as manager in 1942.

Mr. Schroeder's enlistment in the navy in 1943 carried him to the south and central Pacific where, as a lieutenant of the 3rd amphibious forces, he served as a fighter-director in the taking of seven islands. He received the Presidential unit citation.

### Rex Jones Special Agent

Industrial Indemnity of San Francisco has appointed Rex Jones, for two years in the home office in an administrative capacity, special agent for the Sacramento valley with headquarters in Sacramento.

### Phillips to Great American

A. Wayne Phillips has been appointed San Francisco special agent of

**MR. CLAIMS MANAGER**  
Is your P. D. desk piled high? Is there a log jam of small claims? Are avoidable summertime flooding the legal staff? Competent adjuster, 40, charge of P. D. claims in metropolitan office of large casualty co. desires broader opportunity for advancement. Address E-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Qualified underwriting manager with record of proven ability desires position with non bureau company. Well experienced in Casualty and Automobile lines. Address E-94, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**AUTOMOBILE UNDERWRITER WANTED**  
Man with experience in Automobile Liability and Physical Damage coverages in our Home Office. State age, experience and general qualifications.

**AMERICAN INDEMNITY COMPANY**  
P. O. Box 1259 — Galveston, Texas



**SEND FOR YOUR COPY OF THE M.S.M. Sales Kit**

All our agents have received this kit. Write for and use your copy. It will help you sell the ACCO Burglary Department's Money, Security and Merchandise Policy—MSM. Complete with all necessary information, policy forms, rating data, sales-points and advertising material, it is a proved way to sell MSM—the modern, tested contract for broad-form loss insurance on money and merchandise.

ACCO agents have found this business-building kit a sales booster for the MSM policy, which provides all-risk money coverage and all-theft merchandise coverage. This one-contract form dispels the old confusion caused by separate coverages, involving policy definitions of burglary, robbery and theft. MSM has customer-appeal, and the kit is your sales-appeal. We'll rush your copy to you—just give us the word.

### MSM - The Quality Protective Contract



**American Casualty Company  
OF READING • PENNSYLVANIA**

Capital \$2,000,000

Fire Affiliate • American Aviation & General Insurance Company

1886—OVER A HALF CENTURY OF SERVICE—1946

## The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

February 21, 1946

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Great American Indemnity. He was recently released from the navy. Before the war he had been with Hartford Accident and Home Indemnity.

### Waite Succeeds Barber in Aetna Casualty Post

A. W. Waite has become secretary of the compensation and liability department of Aetna Casualty to succeed F. E. Barber, who has retired.

Mr. Waite joined the compensation department in 1912 and was elected assistant secretary in 1937. He is a native of Hartford and a graduate of Yale. Mr. Barber entered the department in 1904 and became an assistant secretary in 1922. He was elected secretary in 1938.



F. E. Barber

### Toolin and Crabb Doff Khaki

Travelers has reappointed Joseph P. Toolin assistant casualty-surety manager at Worcester, Mass., and Charles W. Crabb, field assistant of those lines at Los Angeles.

Mr. Toolin served in the army engineers in connection with casualty insurance on construction projects. He was a lieutenant colonel.

Mr. Crabb was a technical sergeant in charge of battalion supply.

### Assistant Surgical Director

Dr. R. E. Swarts has been made assistant surgical director in the casualty claim division of the Aetna Life group. Educated at the University of Kansas and Johns Hopkins, Dr. Swarts has been with the company 11 years. He was surgical adviser in New York, 1934-1936, when he went to the home office.

Clarence Kelly, just discharged from the navy, has returned to his former position as underwriter of Commercial Standard. Before entering service he was with that company for eight years.

Dudley W. Orr, trust officer of the Mechanics National Bank of Concord, N. H., has been elected a director of Merchants Mutual Casualty.

Edward O. Doxey has joined Jack Godfrey & Co., Portland, Ore., general agents of American Bonding, of Baltimore, for underwriting and production of surety and judicial bonds and general insurance. He recently returned from service and formerly was an attorney in Portland.

## SURETY

### Reinhold New President of Mich. Surety Association

DETROIT—H. P. Reinhold, assistant manager U. S. F. & G. and instructor in Wayne University's course in casualty and surety lines, was elected president of the Surety Association of Michigan at the annual meeting, succeeding Douglas Jones, Aetna Casualty. Fred Hagen, Employers Liability, was named vice-president, succeeding E. H. Miller, Jr., Globe Indemnity, who recently was transferred to Pittsburgh as branch manager. Robert Gilson, New Amsterdam Casualty, becomes secretary-treasurer, replacing J. F. Neals, Jr., Fidelity & Deposit. Walter Mansfield was retained as general counsel. Retiring President Jones becomes executive committee chairman. A. J. Crooker, Fidelity & Deposit, and H. B. Carr, Fidelity & Casualty, were elected to the committee.

### Navy Awards San Diego Contract

LOS ANGELES — Fischbach & Moore of California, have been awarded

a contract by the navy for reserve fleet berthing facilities and electrical service on piers 6 and 8 at San Diego, at the low bid of \$684,000. The firm also was low bidder on similar work for piers 10 and 13, with a figure of \$962,000.

National Surety through its Los Angeles office will execute the bond.

swered the question negatively, but said through efforts of auditors with adequate auditing procedure, the extent to which embezzlements can be carried on would be reduced.

### See Auto Rate Raise with Imputed Negligence Out

LANSING, MICH.—Michigan auto-writing carriers forecast, at a meeting here, that the recent Michigan supreme court opinion discarding the doctrine of imputed negligence, for many years the rule in this state despite its abandonment elsewhere, would result in a net

premium increase for combined public liability and property damage coverage of from 8 to 10%. It had been predicted at first that the rate increase might be as high as 30%.

The meeting here was attended by about 25 company officials. John Carton of Wolverine presided at the morning session and William E. Searl, Auto-Owners, in the afternoon.

There was some discussion regarding possible establishment of an automobile rating bureau and speculation as to whether, in such event, collision business would be required to "stand on its own feet." Most carriers now take a loss in this category to meet competition.

## The agent helps build the company...



WE REALIZE TO THE FULL OUR DEBT  
TO OUR 9,500 PRODUCERS. WE TRY  
TO EVEN UP THE ACCOUNT BY...

## the company helps build the agent

- Rendering superior service in our special field; supplying knowledge and ideas that might be harder to obtain elsewhere.
- Paying losses promptly, in a way that makes friendships for the Agent as well as for the F&D.
- A cooperative attitude toward new business and the acceptance of risks.
- Contact and promotional work that help the Agent increase his income and build good will among his customers.

FIDELITY AND SURETY BONDS — BURGLARY, ROBBERY, FORGERY, GLASS AND OTHER NEEDED FORMS OF INSURANCE

## FIDELITY AND DEPOSIT COMPANY OF MARYLAND

**Founded 1890 — Baltimore, Md.**

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

## NEWS OF THE CASUALTY COMPANIES

### Splendid Showing for U. S. Guarantee

United States Guaranteed reports assets of \$26,022,585 at Dec. 31, an increase of \$2,330,006. Policyholders' surplus is \$14,738,816, which includes voluntary reserves of \$3,813,364. Of the policyholders' surplus 92% has been earned.

Net premiums written before reinsurance were \$9,719,600. There was an underwriting profit.

#### Market Quotations Higher

Bonds were reported at amortized value of \$13,584,800 which included government issues totaling \$12,668,120. On the basis of market quotations both the assets and net worth would be increased by \$393,488.

U. S. Guarantee cites the fact that it possesses \$2.30 of assets per \$1 of liabilities; ratio of liquid assets to total assets is 97, including cash to total

assets 7%, net worth to total assets 57%.

### Employers of Ala. Declares \$100,000 Stock Dividend

Employers of Alabama has declared a \$100,000 stock dividend and announced plans for expansion. This addition to paid-in capital is in line with the company's postwar plan to expand into other states, W. H. Hoover, president and chairman, announced. Employers is preparing to extend its insurance writing to other casualty lines not now covered.

### General Accident's Assets Show \$4,827,090 Increase

General Accident's admitted assets advanced during 1945 to \$54,219,024, an increase of \$4,827,090. U. S. government bond holdings increased from \$18,567,604 to \$19,453,571. All other bond and stock holdings increased from \$21,525,380

to \$25,446,250. Surplus to policyholders increased by \$9,219,024 to reach \$24,219,024. Surplus remains at \$14,400,000, the statutory deposit being increased from \$600,000 to \$1,050,000. In addition to surplus there is a general contingency reserve of \$8,923,519 as against \$7,191,964 a year ago. Unearned premium reserves are \$10,786,997, an increase of \$1,178,868.

### Wis. Mutual Changes Name

Wisconsin Brotherhood of Threshermen, limited mutual of Fond du Lac, Wis., has changed its name to Threshermen's Mutual. It writes workmen's compensation. Edward T. O'Neill, who has returned from naval service, will become general claims attorney.

### Reports on Progress of Chicago

The Illinois department has issued a report on Progress of 1827 North Harlem avenue, Chicago, as of June 30, 1945, showing assets \$74,703 and surplus \$32,140. Progress is a reciprocal specializing in automobile risks that the average underwriter rejects. The examiners state that irregular application of surcharges on the part of Progress appear to be discriminatory.

W. N. Lowe is president of the attorney-in-fact and I. A. Klupar is vice-president.

Surcharges are applied, among other things, for over age of driver, over age of vehicle, for assured that have had losses. For the first six months of 1945 premiums were \$30,762, claims \$14,810.

**Allied Mut. Cas.**—Assets, \$2,248,777; inc., \$416,234; unearned prem., \$736,134; loss res., \$350,544; lab. res., \$66,104; guaranty fund, \$250,000; surplus, \$494,038; inc., \$77,342. Experience:

Net Prem. Losses Pd.  
Auto liability ..... \$ 444,318 \$ 118,844  
Other liability ..... 88,483 8,553  
Workmen's comp... 158,792 41,159  
Glass ..... 2,079 581  
Burglary and theft. 11,787 3,130  
Auto prop. damage. 264,776 90,402  
Auto collision ..... 321,777 156,431  
Other P. D. and coll. 17,264 5,673  
Auto fire and theft.. 236,806 74,431  
Cargo ..... 17,151 7,111  
Total ..... \$1,563,233 \$ 511,320

**Arex Indemnity**—Assets, \$1,280,052; inc., \$102,276; unearned prem., \$209,362; loss res., \$13,201; lab. res., \$194,374; comp. res., \$140,841; capital, \$451,770; surplus, \$246,305; inc., \$648. Experience:

Auto liability ..... \$ 43,549 \$ 19,390

Other liability ..... 88,884 18,504

Workmen's comp... 231,132 93,501

Glass ..... 2,995 2,250

Burglary and theft. 43,698 5,111

Boiler and mach... 9,486 679

Auto prop. damage. 18,973 14,129

Other P. D. and coll. 4,356 Total ..... \$ 443,072 \$ 114,784

**Buckeye Union Cas.**—Assets, \$5,976,068; inc., \$717,635; unearned prem., \$2,046,519; loss res., \$469,479; lab. res., \$1,181,073; capital, \$600,000; surplus, \$1,234,560; inc., \$220,612. Experience:

Accident ..... \$ 194,766 \$ 43,624

Auto liability ..... 1,255,547 408,291

Other liability ..... 311,882 45,144

Tornado ..... 993 10

Glass ..... 59,037 28,337

Burglary and theft. 132,931 37,497

Comprehensive ..... 433,041 163,318

Auto prop. damage. 702,674 472,777

Auto collision ..... 856,786 532,617

Other P. D. and coll. 52,450 8,309

Towing other ..... 1,707 578

Total ..... \$4,001,760 \$ 1,740,492

**Central Mutual Cas.**—Assets, \$426,629; inc., \$72,950; unearned prem., \$152,447; Total ..... \$ 231,625 \$ 95,00

loss res., \$20,964; lab. res., \$80,881; surplus, \$155,399; inc. \$3,408. Experience:

	Net Premis.	Losses Pd.
Auto liability	\$ 115,745	\$ 25,510
Glass	12,839	5,767
Auto prop. damage	39,380	20,602
Auto collision	83,092	50,744
Auto	59,723	28,100
Total	\$ 310,779	\$ 130,732

**Detroit Auto Inter-Ins.**—Assets, \$11,782,144; inc., \$217,868; unearned prem., \$4,027,006; loss res., \$1,549,545; lab. res., \$1,715,232; surplus, \$3,075,000; inc., \$35,000. Experience:

	Net Premis.	Losses Pd.
Auto liability	\$ 2,871,174	\$ 860,000
Auto prop. damage	1,468,172	920,205
Auto collision	2,857,109	2,314,468
Auto fire and theft	1,119,145	554,558
Total	\$ 8,315,600	\$ 4,649,933

**Electric Mut. Linh.**—Assets, \$1,982,322; inc., \$122,362; unearned prem., \$70,471; loss res., \$11,742; lab. res., \$146,129; comp. res., \$355,360; surplus, \$1,205,797; inc., \$177,471. Experience:

	Net Premis.	Losses Pd.
Auto liability	\$ 50,894	\$ 10,801
Other liability	64,312	2,113
Workmen's comp.	521,939	271,491
Auto prop. damage	20,839	10,300
P. D. and coll.	18,827	1,142
Total	\$ 676,811	\$ 295,847

**Employers Reins.**—Assets, \$28,897,851; inc., \$2,904,048; unearned prem., \$5,077,174; loss res., \$1,823,427; lab. res., \$4,410,709; comp. res., \$2,804,612; non-can. A. & H. res., \$22,276; capital, \$2,000,000; surplus, \$8,000,000; inc., \$1,000,000; voluntary spec. res., \$2,784,862. Experience:

	Net Premis.	Losses Pd.
Accident	\$ 394,877	\$ 108,000
Health	87,241	25,931
Group A. & H.	83,744	46,451
Non-can. H. & A.	144,800	69,938
Auto liability	4,819,444	2,105,115
Other liability	837,131	288,873
Workmen's comp.	1,053,365	358,504
Fidelity	965,692	154,265
Surety	532,185	118,476
Glass	6,431	.....
Burglary and theft	479,328	84,943
Boiler and mach.	9,235	10,781
Auto prop. damage	849,141	377,247
Auto collision	2,622	494
Other P. D. and coll.	85,179	22,048
Credit	404,726	-6,065
Total	\$ 676,811	\$ 295,847

**Employers Cas.**—Assets, \$7,133,628; inc., \$960,921; unearned prem., \$2,329,012; loss res., \$2,157,524; lab. res., \$1,241,193; comp. res., \$419,176; capital, \$500,000; surplus, \$1,261,955; inc., \$257,532. Experience:

	Net Premis.	Losses Pd.
Auto fire	\$ 131,282	\$ 47,498
Auto theft	10,080	11,558
Fire	135,124	54,836
Auto liability	1,197,924	365,300
Other liability	579,299	111,230
Workmen's comp.	633,674	278,354
Hospitalization	472,162	222,206
Misc. Bonds	7,577	216
Glass	27,565	11,300
Burglary and theft	44,357	14,191
Tornado	3,698	1,358
Auto prop. damage	542,502	341,238
Auto collision	686,634	432,571
Other P. D. and coll.	101,569	10,555
Other	406,270	122,744
Total	\$ 4,987,725	\$ 2,125,30

**Fort Worth Lloyds**—Assets, \$591,490; inc., \$109,831; unearned prem., \$132,475; loss res., \$12,422; lab. res., \$42,320; comp. res., \$33,066; capital, \$250,000; surplus, \$75,597; inc., \$45,098. Experience:

	Net Premis.	Losses Pd.
Fire	\$ 17,324	\$ 7,703
Extended cov. &	.....	.....
wind	6,339	2,853
Explosion	43	443
Plate glass	2,113	445
Auto liability	43,469	14,798
Other liability	10,256	445
Workmen's comp.	68,513	32,271
Fidelity	1,105	130
Surety	6,336	130
Glass	2,117	21,558
Burglary and theft	24,134	9,600
Auto prop. damage	18,468	9,177
Auto collision	37,217	21,558
Other P. D. ....	595	.....
Auto fire and theft	24,134	9,600
Auto misc. cov.	707	.....
Total	\$ 231,625	\$ 95,00

**General Cas. of Wash.**—Assets, \$11,328,821; inc., \$2,223,951; unearned prem., \$3,100,760; loss res., \$848,507; lab. res., \$3,426,661; comp. res., \$285,748; cap., \$1,200,000; surplus, \$3,089,215; inc., \$1,196,609. Experience:

	Net Premis.	Losses Pd.
Auto liability	\$ 2,959,720	\$ 1,068,477
Other liability	1,557,472	289,113
Workmen's comp.	518,069	196,380
Fidelity	291,065	36,365
Surety	296,173	21,390
Glass	112,568	52,230
Burglary and theft	363,247	95,600
Boiler and mach.	126,794	49,400
Auto prop. damage	1,239,406	696,600
Auto collision	540	44,21
Other P. D. and coll.	205,390	44,21
Total	\$ 7,763,450	\$ 2,583,900

**Goodville Mut. Cas.**—Assets, \$280,673; inc., \$15,343; unearned prem., \$77,553. Experience:

	Net Premis.	Losses Pd.
Auto liability	\$ 115,745	\$ 25,510
Glass	12,839	5,767
Auto prop. damage	39,380	20,602
Auto collision	83,092	50,744
Auto	59,723	28,100
Total	\$ 310,779	\$ 130,732

February

loss res., plus, \$160

Auto liability

Auto prop.

Total

III. Mut.

Iowa F.

loss res.,

surplus,

surance:

Auto liab.

Other liab.

Farm emp.

expense

Auto prop.

Auto coll.

Other P. I.

Auto fire

Policy fe...

Total

Manufa

—Assets,

prem., \$1

res., \$42,5

49.

Exp...

Auto liab.

Other liab.

Fidelity

Tornado

Auto prop.

Auto coll.

Other P. I.

Auto fire a...

Total

Mich. Mu

\$52,662; u

res., \$38,2

32,612; 1

Auto liab.

Auto prop.

Auto coll.

Auto ...

Auto fire a...

Total

National

769; inc., \$

loss res.,

plus, \$103,0

Auto liab.

Auto prop.

Auto coll.

Other P. I.

Auto fire a...

Total

National

inc., \$119,7

comp. res.,

comp. res.,

\$5,975.

Accident

			Net Prem. Losses Pd.	Net Prem. Losses Pd.
21,1946 881; sur- experience: losses Pd. \$ 25,510 5,767 20,600 50,744 23,108 \$ 130,732 ets, \$11,- less prem. liab. res. inc., \$25,- 920,305 2,314,469 55,425 \$4,649,838 1,983,322; \$70,471; \$146,130; \$1,205,797;	loss res., \$5,185; liab. res., \$32,640; sur- plus, \$160,585; inc., \$10,151. Experience: Net Prem. Losses Pd. Auto liability .... \$ 91,986 \$ 4,668 Auto prop. damage. 63,472 17,621 Total ..... \$ 155,459 \$ 22,289	prem., \$5,628,422; loss res., \$1,390,184; liab. res., \$3,282,189; comp. res., \$3,554,- 845; capital, \$90,000; surplus, \$6,750,953; inc., \$629,418. Experience:	Credit ..... 11,360 Water damage ..... 3,128 1,036 Total ..... \$ 9,133,109 \$ 3,153,981	Other liability .... 2,060 132 Workmen's comp. 19,154 7,828 Auto prop. damage. 24,073 10,603 Auto collision .... 4,320 3,293 Other P. D. and coll. 45 Total ..... \$ 105,671 \$ 43,427
II. Mutual Cas.—Assets, \$690,268; inc., \$172,283; unearned prem., \$166,962; loss res., \$96,301; surplus, \$377,673; inc., \$77,- 123. Experience: A. & H. .... \$ 903,844 \$ 376,950		Professional Underwriters—Assets, Accident ..... \$ 409,611 \$ 98,751 Health ..... 246,580 80,232 Group A. & H. .... 4,562 37,708 Auto liability .... 1,618,835 460,464 Other liability .... 1,193,552 234,956 Workmen's comp. 2,823,632 1,249,887 Fidelity ..... 329,153 30,701 Surety ..... 75,336 6,955 Glass ..... 192,753 78,724 Burglary and theft. 538,941 156,420 Boiler and mach... 918,634 362,064 Auto prop. damage. 633,035 332,552 Auto collision ..... 17,094 6,384 \$ 3,215. Experience: Other P. D. and coll. 128,263 19,728 Auto liability ..... \$ 56,019 \$ 21,571	Assets, \$96,181; inc., \$13,141; unearned prem., \$29,467; loss res., \$455; liab. res., \$2,432; guar. fd., \$25,000; surplus, \$36,009; inc., \$12,494. Experience: Auto liability .... \$ 1,194 ..... Other liability .... 56,094 \$ 2,345 Auto prop. damage. 594 582 Total ..... \$ 57,882 \$ 2,927	Senboard Surety—Assets, \$9,082,348; inc., \$674,346; unearned prem., \$1,266,306; loss res., \$986,909; liab. res., \$69,360; comp. res., \$58,748; capital, \$1,000,000; surplus, \$4,000,000; inc. \$1,000,000. Ex- perience: Auto liability .... \$ 8,382 ..... Other liability .... 94,662 \$ 12,154 Workmen's comp. 44,562 5,910 Fidelity ..... 622,152 17,903 Surety ..... 913,774 280,638 Glass ..... 3,812 409
Iowa Farm Mutual—Assets, \$1,628,775; inc., \$369,235; unearned prem., \$421,653; loss res., \$229,900; liab. res., \$304,147; surplus, \$466,563; inc., \$58,675. Ex- perience: Auto liability .... \$ 407,038 \$ 86,783 Other liability .... 45,816 622 Farm employees med. .... expense ..... 40,543 10,322 Auto prop. damage. 228,517 82,947 Auto collision .... 480,684 292,280 Other P. D. and coll. 33,200 8,707 Auto fire and theft.. 114,471 84,853 Policy fees ..... 140,525 ..... Total ..... \$ 1,490,794 \$ 566,514		Rhode Island Mut. Linb.—Assets, \$139,- 633; inc., \$16,587; unearned prem., \$41,- 986; loss res., \$6,832; liab. res., \$41,097; comp. res., \$58,595; surplus, \$28,215; inc., \$12,494. Experience: Auto liability .... \$ 56,019 \$ 21,571		
Manufacturers & Wholesalers Ind. Ex. —Assets, \$538,966; inc., \$31,955; unearned prem., \$125,417; loss res., \$32,760; liab. res., \$42,560; surplus, \$326,696; inc., \$30,- 169. Experience: Auto liability .... \$ 114,056 \$ 30,631 Other liability .... 34,026 9,821 Fidelity ..... 196 ..... Tornado ..... 776 ..... Auto prop. damage. 57,156 30,768 Auto collision .... 48,899 25,192 Other P. D. and coll. 7,126 1,852 Auto ..... 39,703 12,172 Other ..... 6,456 63 Total ..... \$ 308,398 \$ 110,502		Fire ..... Tornado ..... Inland Marine ..... Aircraft—Full Coverage ..... 	Casualty Automobile Accident and Health Fidelity and Surety Bonds	
Mass. Cas.—Assets, \$426,960; inc., \$81,- 76; unearned prem., \$98,612; loss res., \$52,240; non-can. A. & H. res., \$82,935; capital, \$100,000; surplus, \$81,260; inc., \$26,368. Experience: Accident ..... \$ 134,894 \$ 47,464 Non-canc. H. & A. 271,529 104,537 Total ..... \$ 406,423 \$ 152,002		The Western Casualty and Surety Company The Western Fire Insurance Company		
Mich. Mut. Auto.—Assets, \$448,980; inc., \$52,662; unearned prem., \$130,142; loss res., \$38,236; liab. res., \$70,390; surplus, \$186,812; inc., \$32,267. Experience: Auto liability .... \$ 123,822 \$ 44,685 Auto prop. damage. 66,723 27,792 Auto collision .... 68,179 48,903 Auto ..... 47,572 18,353 Total ..... \$ 306,296 \$ 139,734		STATEMENT OF CONDITION AS OF DECEMBER 31, 1945		
Motorists Mutual—Assets, \$2,244,711; inc., \$209,930; unearned prem., \$494,843; loss res., \$267,159; liab. res., \$482,773; surplus, \$755,048; inc., \$140,651. Experi- ence: Accident ..... \$ 106,384 \$ 16,156 Auto liability .... 408,976 96,482 Other liability .... 20,306 258 Auto prop. damage. 254,448 130,870 Auto collision .... 372,872 194,722 Other P. D. and coll. 8,575 948 Auto fire and theft.. 185,460 55,830		ADMITTED ASSETS		
National Mutual, D. C.—Assets, \$251,- 769; inc., \$15,647; unearned prem., \$35,547; loss res., \$18,937; liab. res., \$75,125; sur- plus, \$103,001; inc., \$11,851. Experience: Auto liability .... \$ 104,103 \$ 26,197 Auto prop. damage. 74,590 19,822 Auto collision .... 1,205 93 Other P. D. and coll. 474 ..... Total ..... \$ 183,146 \$ 46,116		The Western Casualty and Surety Co. CASH ..... \$ 1,130,975.69 United States Government Bonds ..... 1,576,214.50 State, County and Municipal Bonds ..... 3,273,337.39 Corporate Bonds ..... 110,000.00	The Western Fire Insurance Co. \$ 249,406.60 652,046.62 501,134.20 25,182.50	
National Mutual Cas.—Assets, \$986,118; inc., \$119,747; unearned prem., \$303,551; loss res., \$86,461; liab. res., \$122,167; comp. res., \$134,906; surplus, \$239,003; inc., \$5,975. Experience: Accident ..... \$ 1,523 \$ 558 Auto liability .... 237,356 64,835 Other liability .... 36,468 8,559 Workmen's comp. 44,280 277,378 Fidelity ..... 1,818 ..... Surety ..... 4,065 ..... Glass ..... 2,627 2,250 Burglary and theft. 11,270 690 Auto prop. damage. 137,157 48,296 Auto collision .... 93,617 73,744 Other P. D. and coll. 6,335 511 Auto fire and theft.. 66,582 29,563 Other ..... 26,596 7,734 Total ..... \$ 1,069,693 \$ 514,119		Total Cash and Bonds ..... \$ 6,090,527.58 Preferred and Common Stocks ..... 194,040.00 Stock of The Western Fire Ins. Co. 1,122,304.98	Total Cash and Bonds ..... \$ 1,427,769.82 689,834.00	
National Surety—Assets, \$39,049,022; inc., \$6,242,483; unearned prem., \$8,567,- 801; loss res., \$3,125,064; liab. res., \$151,- 878; comp. res., \$169,900; capital, \$2,500,- 00; surplus, \$17,517,803; inc., \$1,392,858. Experience: Auto liability .... \$ 230,135 \$ 22,880 Other liability .... 137,315 5,170 Workmen's comp. 349,401 57,867 Fidelity ..... 5,467,293 561,785 Surety ..... 2,544,709 -91,625 Glass ..... 225,255 119,391 Burglary and theft. 3,013,941 895,658 Auto prop. damage. 96,321 27,525 P. D. and coll.... 15,319 1,082 Total ..... \$ 12,079,689 \$ 1,599,723		Reserves and Surplus		
Ocean Accident & Guarantee—Assets, \$24,059,983; inc., \$1,270,098; unearned		Reserve for Claims ..... \$ 3,607,639.37 Reserve for Unearned Premiums ..... 2,048,749.21 Reserve for Commissions, Taxes and Expenses ..... 409,274.20	Reserve for Claims ..... \$ 297,842.37 1,078,433.51 70,954.00	
E. C. Gordon, Secretary		Total Reserves ..... \$ 6,065,662.78	Total Reserves ..... \$ 1,447,229.88	
		Capital ..... \$ 1,000,000.00 Surplus ..... 1,205,856.85	Capital ..... \$ 550,000.00 Surplus ..... 582,601.36	
		Surplus as regards Policyholders ..... \$ 2,205,856.85	Surplus as regards Policyholders ..... \$ 1,132,601.36	
		TOTAL ..... \$ 8,271,519.63	TOTAL ..... \$ 2,579,831.24	
		NOTE: Valuation of bonds and stocks carried in the above statement are on the basis approved by the National Association of Insurance Commissioners. On the basis of December 31, 1945, market quotations for all Bonds and Stocks owned, the Admitted Assets would be increased to ..... 8,391,421.49 And the Policyholder's Surplus would be increased to 2,325,758.71		
		Premiums Written Since Organization ..... \$ 64,099,879.63 Losses Paid Since Organization ..... 27,744,567.50		
			Ray E. Duboc, President	
		HOME OFFICE, FORT SCOTT, KANSAS EXECUTIVE OFFICES, 916 WALNUT STREET, KANSAS CITY 6, MISSOURI BRANCH OFFICES, ST. LOUIS, CHICAGO		

Net Prem. Losses Pd.		
Burglary and theft.	165,877	34,940
Auto prop. damage.	2,780	1,537
P. D. and coll.	18,465	473
Total	\$1,875,468	\$ 353,153
<b>Security L. &amp; A.</b>	<b>Assets, \$11,914,621;</b>	
inc., \$1,709,111; unearned prem., \$112,512;		
loss res., \$44,321; non-can. A. & H. res.,		
\$98,638; capital, \$250,000; surplus, \$1,098,-		
530; inc., \$220,771. Experience:		
A. & H. ....	\$ 267,121	\$ 108,321
Group A. & H. ....	3,254	2,432
Non-canc. H. & A. ....	115,730	48,728
Total ....	\$ 386,205	\$ 159,481

**Standard Accident**—Assets, \$44,486,301; inc., \$2,773,433; unearned prem., \$9,089,802; loss res., \$3,085,119; lab. res., \$6,853,-338; comp. res., \$6,336,206; capital, \$3,518,-760; surplus, \$11,094,712; inc., \$924,723. Experience:

Net Prem. Losses Pd.		
Accident	862,265	\$ 234,879
Health	86,442	44,205
Group A. & H. ....	640,810	355,668
Non-canc. H. & A. ....	—1,639	1,300
Auto liability ....	6,126,825	2,191,446
Other liability ....	2,397,783	457,939
Workmen's comp. ....	5,546,988	2,626,866

Net Prem. Losses Pd.		
Fidelity	1,157,458	107,383
Surety	1,232,649	27,909
Glass	267,066	115,200
Burglary & theft	629,773	215,576

Net Prem. Losses Pd.		
Machinery	18,653	2,702
Auto prop. damage	1,408,773	725,394
Auto collision	60,243	40,572
Other P.D. & coll.	300,339	46,755
Total	\$20,785,434	\$ 7,192,794

Travelers (Acc. Dept.)—Assets, \$1,512,-224,246; inc., \$99,241,487; unearned prem., \$31,248,920; loss res., \$75,989,284; lab. res., \$20,387,677; comp. res., \$45,346,339; non-can. A. & H. res., \$1,401,232; capital, \$20,000,000; surplus, \$87,966,512; inc., \$11,613,642. Experience:		
Accident	\$ 14,450,284	\$ 2,917,542
Health	559,276	239,075
Group A. & H. ....	29,360,549	22,822,060
Non-canc. H. & A. ....	34,362	224,194
Auto liability ....	16,205,833	5,958,063
Other liability ....	7,953,651	2,327,240
Workmen's comp. ....	34,029,659	18,545,638
Total	\$102,593,618	\$ 53,063,815

Travelers Indemnity—Assets, \$44,443,-118; inc., \$3,241,277; unearned prem., \$13,-494,880; loss res., \$9,159,754; lab. res., \$2,309,585; comp. res., \$3,622,317; capital, \$3,000,000; surplus, \$9,264,179; inc., \$2,-279,302. Experience:		
Auto liability ....	\$ 1,733,661	\$ 546,337
Other liability ....	1,474,731	178,691
Workmen's comp. ....	3,396,896	2,169,174
Fidelity ....	1,106,182	88,518
Surety ....	787,055	109,078
Glass ....	651,378	284,907
Burglary and theft	3,318,029	1,024,260
Boiler & machinery	1,072,674	492,515
Auto prop. damage	6,496,796	3,643,739
Auto collision	69,507	34,363
Other P.D. and coll.	1,119,801	390,414
Total	\$21,726,716	\$ 8,962,000

West American—Assets, \$1,618,551; inc., \$112,360; unearned prem., \$72,932; loss res., \$40,858; lab. res., \$98,916; comp. res., \$72,991; capital, \$600,000; surplus, \$694,503; inc., \$45,230. Experience:		
Auto liability ....	\$ 27,490	\$ 22,903
Other liability ....	12,747	4,044
Workmen's comp. ....	57,185	40,039
Fidelity ....	420	.....
Surety ....	1,709	3,002
Glass ....	3,238	1,514
Burglary and theft	6,597	4,885
Auto prop. damage	13,683	18,372
Auto collision	23,025	73,057
Other P. D. and coll.	1,431	277
Auto fire and theft	10,934	17,489
Total	\$ 158,469	\$ 185,587

amount of a hospital bill that has been paid by a Blue Cross organization, according to the Rhode Island superior court in *Corrente vs. Mutual Benefit H. & A.*

Corrente testified that his hospital charge of \$86.50 was paid by Rhode Island Hospital Service Corp.

The question is whether payment by the Blue Cross of the expenses constitute a payment by the insured for which reimbursement may be required under the hospital expense rider of Mutual Benefit H. & A. Under that rider the insurer agrees to reimburse the insured for his expense by reason of his confinement in a hospital.

The court stated that the term "to reimburse" is plain and unambiguous. The assured had been put to no expense. Since he has lost nothing there is nothing that must be restored to him by the insurer.

The hospital expense rider, according to the court, had potential value because he could recover under it for protracted illness beyond the limit of the Blue Cross contract or for hospital accommodations beyond the daily limit of the Blue Cross.

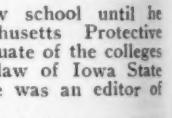
## O. F. Grahame Now General Counsel of Mass. Protective

**WORCESTER**—O. F. Grahame has been elected general counsel of Massachusetts Protective Association, The Massachusetts Protective Life and Paul Revere Life. Mr. Grahame joined these companies in 1940 as associate counsel. He was elected counsel a year ago. He is a member of the bar in Iowa, New York and Massachusetts.

Mr. Grahame was with Guardian Life of New York from graduation from law school until he joined the Massachusetts Protective group. He is a graduate of the colleges of liberal arts and law of Iowa State University, where he was an editor of the law review.

Mr. Grahame drafted the New York statute exempting disability benefits from claims of creditors. It has been widely copied in other states. He has written extensively on insurance subjects, including disability insurance, mutuality, and settlement agreements and trusts. He is a recognized authority in his field and is an active member of various institutional committees.

O. F. Grahame



## Utah Sales Congress in Salt Lake City March 11

**SALT LAKE CITY**—The Utah Accident & Health Club will hold its annual one day sales congress here March 11. D. C. Stephens, Security Life & Accident, is in charge of arrangements. Speakers will include R. J. Costigan, president National Association of Accident & Health Underwriters; E. H. Mueller, National association, managing director; E. F. Gregory, Business Men's Assurance, Denver, Colo., N.A.A.H.U. executive board member, and E. W. Owen, former Detroit manager of San Life and now with the British consulate general in San Francisco.

At the February meeting, W. M. Jones, Business Men's Assurance, reviewed the mid-year meeting of the National association at Wichita.

## Tull New President of Seattle Managers Club

The Seattle Accident & Health Managers Club has elected C. H. Tull, Continental Casualty, president. He succeeds Herbert Crockett, National Casualty. Ray C. Lessard, Metropolitan Life, was elected vice-president, and James B. Dodge, Jr., Occidental Life,

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secretary-treasurer. Ray Cleaver, United Pacific, was chosen trustee.

Mr. Cleaver reported on the mid-year meeting of the Health & Accident Underwriters Conference, at which he conducted an open forum discussion on group and franchise problems, and the annual meeting of the Insurance Economics Society in Chicago. He also reviewed briefly the compromise cash sickness benefits measure enacted in California, pointing out the obstacles it poses for the private carriers, even though the law is an optional one. He discussed the problem facing the industry in Washington at the 1947 legislature, when a similar bill is slated to be introduced as a result of an interim study now being made.

### May Convert Franchise Policies in Mich. by Rider

LANSING, MICH.—Supplementing his recent order banning the writing of wholesale or franchise accident and health insurance in Michigan, Commissioner Forbes has outlined an acceptable plan for converting policies now in effect, written on those plans, by attaching riders to individual policies.

Under his proposal, each policyholder under the outlawed plans would be sent an endorsement for attachment to his contract, subjecting the coverage to the terms of a master contract, the latter being the only form recognized under the Michigan group law which must be fully complied with under the department's December ruling.

The riders themselves must be filed and approved and the insurer must submit to the department for approval a list of such "group" members and the method desired to be used in converting to a master contract basis.

### Endorse Hospitalization Report

The International Claim Association has announced its endorsement of a

simplified hospital report-form prepared by a joint committee of the Claim Association and the Health & Accident Underwriters Conference. The adoption of this form has been recommended by the association and conference to their member companies, numbering more than 300. The conference approved the report form last September.

### New State Group Plan in Mass.

BOSTON—To get away from the "cumbersome" system of compelling state employees to form associations in order to secure group insurance, a bill before the Massachusetts legislative insurance committee would permit the governor, or the head of any department, division or commission or board, with the consent of the governor, to act as employer and contract with an insurer. The law now in effect in Vermont was used as basis for the bill, to which there was no opposition.

### Maternity Benefits Liberalized

The hospitalization policies of Security Mutual Life allow for the actual number of days in the hospital not exceeding 10, but hospitals are becoming more and more crowded and maternity cases are being rushed out as fast as possible. Consequently, in some cases the hospital stay is limited to eight or nine days. Appreciating that except for the crowded condition of the hospitals, the mother would stay for 10 days or more, the company is recognizing all maternity claims for the full limit of 10 days, whether or not hospitalization is for a lesser period.

This extension does not apply to claims for miscarriage or other conditions attendant upon pregnancy.

### Announce Two S. F. Speakers

At the annual meeting of the California Accident & Health Association in San Francisco March 7, the first since before the war, a busi-

ness session will be held in the morning and a sales congress in the afternoon.

Judge Elmer Robinson of the California superior court will be the luncheon speaker and E. H. Mueller, acting executive secretary of the National Association of Accident & Health Underwriters, will be one of the afternoon speakers.

### Manzelmann Oklahoma Speaker

George F. Manzelmann, president of North American Accident, spoke at the meeting of the Oklahoma Accident & Health Association Feb. 18.

### Pacific Mutual Jan. Gain 57.1%

The commercial accident and health department of Pacific Mutual Life in January increased its premium income 57.1% over the same period of 1945.

Lewis C. Williams, Richmond attorney, has been elected vice-president of Virginia Life & Casualty. He is the only new officer.

## COMPENSATION

### Political Pressure in Mo. Highway Award Denied

JEFFERSON CITY—Paul C. Jones, chairman of the Missouri highway commission, told the senate appropriations committee no political pressure of any kind had been put on the commission to have it give the contract for workmen's compensation insurance on the employees of the department to the Lawton-Byrne-Bruner agency of St. Louis, representing Hartford Accident.

Previously Jerry Handley, Springfield, representing Employers Mutual Liability, had told the committee he submitted a bid \$10,000 to \$17,000 lower, exclusive

of dividends, than that submitted by Lawton-Byrne-Bruner, and that its acceptance would have meant a saving of \$30,926 a year to the state.

"What was your basis for excluding Employers and other mutual companies from the contract?" Senator Smith, Republican, Springfield, asked.

"It was a question of giving the business to a stock company, which we favored over mutuals," Jones replied.

"How were you able to narrow the field to one stock company when nine companies had submitted identical bids?" Senator Smith asked.

"It was a question of the best service to suit the needs of our department," Jones answered.

### N. Y. Probes Fees to Doctors Unlicensed for Compensation

NEW YORK—The New York department is investigating complaints that some workmen's compensation insurers are paying bills for medical services of physicians or others who have not qualified under the workmen's compensation law to render medical care or provide laboratory services for claimants. Superintendent Dineen has written compensation insurers asking their cooperation in investigating alleged violations.

Quoting the sections of the law providing for the licensing of physicians and laboratory technicians and limiting the payment of fees to those who are licensed, Mr. Dineen's letter says that "as we construe these provisions they provide in effect that only physicians, x-ray and other laboratories licensed by the chairman of the workmen's compensation board may be paid by the carriers under the workmen's compensation law." He points out that the superintendent of insurance is obligated under the law to see to it that companies under his jurisdiction obey not only the insurance law but all other state laws.

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## ASSOCIATIONS

### Fort Worth Claim Men Elect

The Fort Worth Claim Men's Association has elected the following officers: president, H. J. Brewington, Lumbermen's Mutual Casualty; vice-president, Herbert Martin, Hartford Accident; secretary-treasurer, H. E. Hults, General Exchange.

There was a round table discussion

on "Loading and Unloading" under the standard automobile policy.

### Discuss Wis. Responsibility Act

MILWAUKEE—R. C. Salisbury, director of safety, state motor vehicle department, discussed the new Wisconsin safety automobile responsibility act before the Casualty Adjusters Association of Wisconsin. An open forum discussion followed the talk.

### Los Angeles Car Thefts Drop

Capt. Warren Stilson, head of the auto theft detail of the Los Angeles police department, addressed the Casualty Insurance Adjusters Association on "Auto Theft Recoveries and Theft Rings," reporting that in the first 12 days of February 373 autos had been stolen in Los Angeles, as compared with 435 in the same period in January, and that up to Feb. 12 this year 1,405 had been stolen as against 1,119 last year. From 96 to 99% of the cars stolen have been recovered. He said many cars are stolen by joy riders and abandoned, and he feels the courts are inclined to be lenient with auto thieves. He suggested the adjusters have their companies, when a total loss is paid on a stolen car, notify the police department of the data on the car, and give notice that the insurance carrier is the legal owner of the car.



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## PERSONALS

**Maj. G. L. Lloyd**, manager of Aero Insurance Underwriters, has been on a western trip conferring with Pacific Coast Manager Ariel C. Harris in Los Angeles.

**Robert S. Goldkamp**, bond department of Massachusetts Bonding in Chicago, is recovering from an appendectomy in Swedish Covenant hospital.

**Elmer E. Johnson, Jr.**, agency director of Massachusetts Bonding, was in Chicago on a business trip.

## DEATHS

**William D. Tenney**, 72, a director of General Casualty of Madison, Wis., and assistant secretary and treasurer up to his retirement Jan. 1 because of ill health, died there. He had been with the company since its organization in 1925.

**Oren Hedberg**, 45, assistant general superintendent of U. S. F. & G., at New York, died in the New Rochelle hospital. He had been ill since last November when he was in an automobile accident. He was past president of the New York Claims Association and chairman of its liability committee at the time of his death.

## Cash Sickness Plan Passes Cal. Senate

(CONTINUED FROM PAGE 10)

week protection under the state plan. A commercial A. & H. company could sell him another \$15 or \$20 weekly indemnity, since 80% of income is usually regarded as a safe maximum. Or if he felt he did not need extra weekly indemnity he might purchase hospital or surgical benefits to supplement his state insurance.

### IS 1% ENOUGH?

As with the Rhode Island plan, there is some question whether the schedule of benefits can be paid for out of a 1% levy. The California plan may have an ace in the hole which the Rhode Island plan lacked, namely, the accumulated premiums that have been paid in through the 1% tax on employees since the plan went into effect in 1937. For California

these amount to about \$233 million. The California law contains a provision for getting this money transferred from the unemployment fund to the cash sickness fund. Under the law setting up the unemployment fund consent of the federal government is necessary. Even if the social security board be willing to consent to the shift an act of Congress might be necessary to legalize it. Benefits will not begin until a year after the date of the governor's signature.

The Rhode Island plan, up to V-J Day, was paying out more than it was taking in. However, after that date there were so many unemployed workers drawing unemployment benefits that the cash sickness benefit fund has been paying out less than it took in. Whether this will continue to be the case after the unemployed workers have gone back to work or their unemployment benefit period expired remains to be seen. Meanwhile, Rhode Island is attempting to obtain an additional one-half of 1% tax on employees, which now goes into the unemployment fund and divert it to the cash sickness fund. Unlike California, the Rhode Island tax on employees is 1½%, 1% going to the cash sickness fund and one-half percent to the unemployment fund to supplement the employers' contributions.

One feature of the California law that has caused some speculation among insurance men is whether the state cash sickness benefit fund's management will be willing to permit the better risks to self-insure or buy insurance from companies, thereby leaving the state plan with the poorer risks as has tended to be the case in states having competitive state funds for workmen's compensation. The unemployment insurance commissioner has expressed concern on this point. The matter of the unemployment insurance commissioner's expenses in keeping tab on self-insured and privately insured plans appears to be satisfactorily taken care of by a provision in the law that these expenses shall be prorated among all employers having voluntary plans, whether self-insured or privately insured. An earlier version of the bill would have charged \$50 for each approval.

The California scale of benefits is the same as that for unemployment compensation. This is a maximum of \$20 ranging down to a minimum of \$10 per week. Basis for the weekly rate of indemnity is the highest paid quarter of the preceding year. The maximum number of weeks' payments is geared to the maximum amount of \$468. This means a maximum of 23.4 weeks at the maximum rate of \$20 a week, ranging up to 46.8 weeks at the \$10 minimum benefit rate. Unemployment benefit payments under the California insurance law have been averaging very close to the maximum figure.

The California measure provides for a one-week waiting period for each period of disability. The C.I.O. objected strenuously to this feature as it did to the amendments permitting voluntary plans. However, it is believed that the

objections were due more to a desire to get the bill killed than to any special objection to the features themselves.

As regards voluntary plans the California measure provides that a self-insured or privately insured plan may be selected at the option of the employer or a majority of employees. Voluntary plans must provide rights for insured greater than under the state system, the plan must be available to all employees of the company, a majority of the employees must consent to the plan, the unemployment insurance commissioner's approval of policies must be obtained if an insurance plan is used, the employer must make payroll deductions, and future employees must be taken in. If no admitted disability insurer is used, the employer must post bond to cover liability.

A voluntary plan must be set up so as to be in effect for at least two years and employees are not to make contributions or to receive benefits under both a voluntary and the state plan. The employer is permitted to assume all or part of the cost.

### NO CHANCE FOR N. J. BILL

Little likelihood of passage is seen for the New Jersey cash sickness disability bill at the current legislative session. The measure was referred to the governor's commission on post-war economic welfare for study but in view of the far-reaching nature of the proposed program it would take a great deal more pressure than now exists to push it through the current session.

The time before the legislature's final adjournment is so limited that there would be no opportunity for adequate study and there is no great amount of political pressure. In New Jersey the governor is prohibited by law from succeeding himself so there is no incentive for him to use the bill to help get himself reelected.

## Hartford Steam Boiler Shifts N. Y. and Phila. Managers

Hartford Steam Boiler has appointed F. S. Campbell manager of its New York department. He has been manager at Philadelphia. His transfer to New York fills a vacancy created by the request of J. P. Kerrigan for assignment to Philadelphia, where he originally joined the company. He will become manager there March 1.

Prior to serving as manager at Philadelphia, Mr. Campbell was manager at Pittsburgh. Before that he was in the company's Chicago territory. Mr. Kerrigan has served as chief adjuster at the home office and manager at Baltimore and Cincinnati. He was assigned to New York in 1942.

### Virginia Boiler Bills Killed

Two bills providing for regulation and inspection of boilers have been killed in committee in the Virginia house.

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1945

CAPITAL . . . . .	\$4,000,000.00
Surplus . . . . .	8,598,916.48
Voluntary Contingency Reserve . . . . .	750,000.00
Surplus to Policyholders . . . . .	\$13,348,916.48
Reserve for Losses . . . . .	6,537,844.62
All Other Liabilities . . . . .	4,606,956.09
<b>TOTAL ADMITTED ASSETS</b> \$24,493,717.19	

NOTE: Securities carried at \$550,000.00 in the above statement are deposited as required by law.

**CASUALTY . FIDELITY . SURETY**  
**Re-Insurance**

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Plans for Wis. Regionals in May Are Outlined

Plans for regional meetings the week of May 20 in four key cities were outlined at the quarterly meeting of the Wisconsin Association of Insurance Agents executive committee in Milwaukee. The meeting will be in Milwaukee, May 20, Madison, May 21; in one of the Fox River valley cities May 22, and northern Wisconsin, probably at Merrill.

The program for all of the meetings is being completed by President Ben Fronk, president, Manitowoc; J. S. Rowland, national director, Racine, and Urban Krier, executive secretary. There will be round table discussions of subjects suggested by local agents in the various regions, and films on insurance subjects will be shown. There also will be a report on the National Convention at Cincinnati.

The annual meeting of the Wisconsin association will be held Oct. 10-11 in Milwaukee.

### E. K. Welch Heads Planet's Cincinnati Branch Office

E. K. Welch, Cincinnati manager of Standard Accident, has been named Cincinnati manager of Planet, fire and marine affiliate. This will be in addition to his duties as Cincinnati manager for Standard.

C. E. Elkins, assistant manager at Cincinnati for Standard, will also serve in that capacity for Planet.

W. P. Fisher, manager bonding department at Cincinnati for Standard, will act as assistant manager at Cincinnati of Planet in addition to his present duties.

Planet's offices are located in the same quarters as Standard's.

### House O.K.s Mich. Liquor Cover

LANSING, MICH.—The house has passed a bill to permit the insurance commissioner, with state administrative board approval, to insure high-hazard, concentrated value state property with private insurers, without a dissenting vote after it had been speedily reported by the house insurance committee. Similar action was taken by the lower house in 1945 but the senate eliminated that provision. Gov. Kelly opened the subject to consideration at the special session because of the situation caused by the expiration of private insurance totaling \$11,500,000 on liquor warehouses.

### Stone Minn. Mid-Year Speaker

MINNEAPOLIS—Edward C. Stone, U. S. manager of Employers Liability, will speak at the mid-year conference here of the Minnesota Association of Insurance Agents, probably the morning of April 18. The two-day conference will close with a testimonial dinner for Frank S. Preston, for many years executive secretary of the association.

### Ia. Mutual Agents Meet April 8-9

DES MOINES—The Iowa Mutual Insurance Agents Association will hold its annual meeting in Des Moines April 8-9. Business and organization meetings will be held the first day, with the banquet in the evening. Educational clinics on the general theme of "The Insurance Agency Future" will be held the second day.

### Kansas Association Holding Group Educational Meetings

The opening group meeting of the Kansas Association of Insurance Agents featuring discussion on the new fire policy and uniform forms, which became effective in Kansas Feb. 15, was held at Newton, with the Newton Insurance Board as host to agents of several surrounding towns. Discussion leader was C. E. Stiehl, Topeka, state agent of London & Lancashire, representing the Kansas Fire Underwriters Association, which is cooperating in the educational program.

Kansas City, Kan., is holding a similar meeting Feb. 22 and the Hutchinson association has scheduled a meeting for the week of March 4, under the direction of President A. H. Lewis, Wade Patton & Co. agency, and Byron R. Ward, state agent Glens Falls, Topeka. A meeting also is to be held in Wichita.

### Boost East Lansing School Cover

LANSING, MICH.—The East Lansing board of education has increased insurance coverage on the high school and two grade school buildings from \$340,000 to \$605,000 in order to qualify for 90% coinsurance. The high school coverage was boosted from \$286,000 to \$385,000 while the other two buildings were insured for \$110,000 each.

### American States New Office

American States Fire is opening a branch office in Grand Rapids, Mich., with Roger L. Sullivan as manager. The office will be in the National Bank building.

Mr. Sullivan was in the army transportation corps and before that in American States home office.

### Name Two Iowa Committees

DES MOINES—Howard C. Burleson of Cedar Rapids, president Iowa Association of Insurance Agents, has appointed Fred Olmsted of Des Moines head of the legislative committee. Harry C. Brown, former state president and now head of the state safety council, was renamed chairman of the accident prevention committee.

### Form New Wichita Agency

Lawrence Edmundson, for 15 years with the Wheeler, Kelly, Hagny agency, who recently returned after 28 months in the navy, has joined L. W. Roberts in organizing the Roberts-Edmundson agency at Wichita. Mr. Roberts had previously operated as the L. W. Roberts Co.

### Retail Druggists Changes

The home office of Retail Druggists Mutual Fire is being moved from Cincinnati to Mansfield, O., and the company has applied to change its name to Druggists Mutual. It is expected the move will be completed by May 1. The company will share the building owned by Mansfield Mutual Fire.

### Priest Kansas City, Kan., Leader

Ray H. Priest, Royal-Liverpool state agent, Topeka, was discussion leader at the first two study club meetings on fire insurance of the Kansas City (Kan.) Insurance Board. Several different field men are to be used in the 20-hour N.A.I.A. course.

### Toedman Opens Topeka Agency

Neil L. Toedman, who has operated a successful agency at Yates Center, the firm.

Kan., since 1935, has opened a second agency at Topeka. Mr. Toedman has specialized in transportation insurance and during the war served as district manager of ODT in Kansas.

### Germantown Mutual Reports

Germantown Farmers Mutual of Germantown, Wis., in its new statement shows assets of \$758,466. The premium reserve is \$116,114. There is a guaranty fund of \$125,000 and net surplus \$501,028.

### Scanlon at Mishawaka

John P. Scanlon, state agent of Ohio Casualty, Indianapolis, spoke to the South Bend-Mishawaka Association of Insurance Agents on the new laws covering garage liability and workmen's compensation.

### Carlisle New Geneva President

A. S. Carlisle was elected president of the Geneva (Ill.) Insurance Association at the February meeting. The new secretary-treasurer is R. G. Watson.

### NEWS BRIEFS

Mrs. Bessie Frederickson, who has operated her own general agency in Sioux City, Ia., has become cashier in the Emery Gustine agency there of National Fidelity Life.

Leeds Bronson, president of the Ohio Association of Insurance Agents, and R. M. Clark of Hamilton addressed the Dayton (O.) Association of Fire & Casualty Underwriters.

Harry K. Rogers of the Western Actuarial Bureau, Chicago, addressed the

February meeting of the fire prevention section of the Greater Minneapolis Safety Council.

Irvin E. Toevs, former secretary of the Newton (Kan.) Insurance Board, addressed the Kiwanis Club there on his aerology experience in the navy.

Capt. Dean Jaeger has resumed his position as chief clerk in the Rain & Hail Bureau office at Wichita after five years in the army.

The quarterly meeting of the Insurance Agents Association of St. Paul will be held March 6.

A course in fidelity and surety bonds sponsored by the Minneapolis Insurance Women's Association started Feb. 19. The committee in charge is made up of Florence Durand, Marcella Beise, Owena Solberg and Ada Eller.

The Insurance Women of Topeka heard a travel talk at their February meeting. Announcement was made of the district meeting in Oklahoma City in April. A study club course on automobile insurance started Feb. 5, with William Wanner of the Seitsam agency as leader.

W. C. Couch and L. L. Heath of Western Adjustment were guest speakers at a meeting of the Tri-City Association of Insurance Women at Whiting, Ind. Mr. Couch spoke on the benefits of a women's association and Mr. Heath outlined essentials of prompt notice of loss to interested companies. Miss Catherine Quinn, Riley Co., was appointed chairman of the next meeting May 14.

A. O. McDowell has sold a half interest in his agency at Grinnell, Ia., to Edwin B. Pedersen. The agency will now be known as McDowell & Pedersen.

M. W. Hurst, Independence, Kans., local agent, has taken Glenn King in as a partner.

McDrew Hartnett has withdrawn from the Hartnett & Evans agency, Stafford, Kans., following his return from the navy, to open a law office at Salina. Ben Evans, also recently returned from service, will continue the agency.

## PACIFIC COAST AND MOUNTAIN

### Brisk Demand for Temblor Insurance Follows Shock

SEATTLE—The sharpest earthquake ever recorded in the Puget Sound area did considerable damage Feb. 14. A brick wall at the Frye & Co. meat-packing plant in Seattle collapsed on the machine shop, crushing equipment valued at between \$20,000 and \$30,000. Another loss occurred at the Fisher Flouring Mills plant on Harbor Island, when a 10-inch water pipe broke in a 50,000 gallon water tank atop the mill's 14-story building. The water poured into an elevator, damaging large quantities of grain.

The automatic sprinkler system at Piers 39 and 42 on Seattle's waterfront was set off by the shock and thousands of dollars' worth of cargo was damaged when water flooded warehouses. Masonry buildings in Seattle's downtown and industrial districts suffered minor damages. The tower of the Sears, Roebuck & Co. main store was badly damaged. Damage estimated at about \$25,000 was done to the \$5 million county-city building.

Seattle insurance offices were flooded with inquiries regarding earthquake insurance. Some agents and brokers reported a brisk demand and a number of policies were written. Many offices, however, said interest in the cover waned when prospective assured were advised of the high deductibles and exclusions in the various forms.

### Steele Partner in Bach Agency

Hal Steele, formerly with Royal Indemnity in Los Angeles, has been released from the navy and will become a partner in the Bach Company, San Diego local agency. Ralph C. Bach, formerly president of the California Association of Insurance Agents, is head of Utah policyholders should not be charged for leveling losses which occur in other

### Southern Cal. Regionals of Agents Set Record

Regional meetings conducted by the California Association of Insurance Agents in southern California drew about 65% of total membership of local associations and proved to have been the most successful ever held in the region. The meeting just concluded at Fontana wound up the series. Others were held in Santa Monica, Pasadena, Glendale, Long Beach and Santa Ana. A meeting of a different nature was held in Los Angeles.

Neal Harris of Oakland, former state president, and secretary-treasurer, W. B. Glassick, of Los Angeles, represented the state association. They reported the state association membership Feb. 5, 1946, was 1,650, a new high mark. They reviewed the activities, outlined membership drive plans, and discussed the new dwelling house form, the educational program, the bank and agent auto financing plan.

The meeting with the Los Angeles association took up the association's educational program.

The state association directors will meet in Bakersfield Feb. 23-24.

### Utah Agents Protest Plan to Raise Collision Rates

SALT LAKE CITY—A special committee of the Utah Association of Insurance Agents has protested to the insurance department against a proposed increase in automobile collision rates, asserting experience in the state does not warrant such action. The committee requested investigation. In a hearing before Deputy Commissioner Garff, a spokesman for the committee declared Utah policyholders should not be charged for leveling losses which occur in other

states. The deputy was told that since V-J day an increase of 25% in collision rates has been effected, and now a number of companies have proposed an additional increase of 35%.

### H. M. Allen Named F.C.A.B. Manager at Eugene, Ore.

H. McKay Allen has been appointed branch manager of Fire Companies Adjusting Bureau at Eugene, Ore., succeeding K. R. Allan, resigned.

Mr. Allen prior to joining the army was manager at Pocatello, Ida. He joined F. C. A. B. in 1937; before that since 1928 he was a claims adjuster with Employers group and later he was with the Aetna companies for six years. He will be assisted by T. V. Williams.

### Open Portland, Ore., Office

R. A. Clancey & Co., Ltd., insurance brokers and average adjusters of Seattle, have opened an office at 504 Henry building, Portland, Ore., and will handle all lines except life. Truman T. Day, recently returned from service, will manage the new Portland office, which will specialize in marine insurance. He was with the Hall, Murphy & Co., average adjusting firm in Portland for four years and before that time was a general insurance agent. He spent 34 months in the army, 26 in Europe.

### Auto Adjusters Hold Outing

Eighty attended the first post-war golf tournament and outing of the San Francisco Automobile General Adjusters Association. R. V. Hill, Fire Companies Adjustment Bureau, won the prize for low gross golf score and Walter Burke, Aetna Fire, won a \$50 bond for first blind bogie. Entertainment features were handled by Earle Wright, independent adjuster of San Francisco, and arrangements by Charles Landresse, secretary Pacific department of London Assurance.

### VA Approves Los Angeles Plan

The Insurance Association of Los Angeles has won approval for on-the-job training, with the veterans administration agreeing to pay the veteran, in addition to the supplemental pay for schooling, \$31 to enable him to attend

classes in the University of California, extension division, or other insurance course approved by the insurance department as a prerequisite to taking examination for a broker's license.

### Jay Stevens Talks at Oakland

Jay W. Stevens, assistant manager of the National Board's San Francisco office, spoke to the Oakland Association of Insurance Agents on local agents' responsibilities in servicing the public in preventive movements, particularly with adequate fire prevention facilities. S. J. Tipton, newly appointed executive secretary, was introduced.

### Talks on Cal. Wine Industry

The Fire Underwriters Forum of San Francisco will hear about the processes, operations, hazards and protective facilities of the California wine industry at the meeting Feb. 21 from Arthur H. Kindler of Kindler-Wiseman & Co., large wine producers and distributors. His talk will be illustrated with motion pictures.

### Williams Speaks at Chehalis

Robert D. Williams, deputy insurance commissioner, addressed the Lewis County Association of Insurance Agents at Chehalis, Wash., on the recodification of insurance laws which he is preparing for presentation to the 1947 legislature.

### Two Speak at San Pedro

Richard Campbell, special agent for Swett & Crawford, and Joseph Silveira, Pacific Board, addressed the Harbor District Insurance Agents Association at San Pedro, Cal., on "Habitational Tariff."

### NEWS BRIEFS

Arthur M. Brown, Jr., of Edward Brown & Sons, San Francisco, arrived in Seattle just in time to experience the earthquake there.

Jared C. Aiken, formerly Los Angeles manager for Rathbone, King & Seeley, has joined the investment firm of Morgan & Co., and will specialize in insurance stocks.

John Bartholomew has resigned as special agent of Eagle Indemnity in Los Angeles to go with the local agency of Clinton L. Booth, Glendale, Cal.

## IN THE SOUTHERN STATES

### Another Virginia Rate Reduction

RICHMOND—A further reduction in fire rates in Virginia has been ordered by the corporation commission. The reductions, approximating an average of 2½%, apply to dwellings, mercantile and other classes. The commission estimates that the reductions would reduce premiums an additional \$267,500. This is the ninth reduction ordered since regulation of fire rates was placed under the commission by legislative act in 1928.

### Va. Agents to Hold Annual Convention June 7-8

The annual convention of the Virginia Association of Insurance Agents will be at the Cavalier Hotel, Virginia Beach, June 7-8. Details of the program have not yet been announced.

### Dean Loman Confers in Texas

Harry J. Loman, dean of the American Institute for Property & Liability Underwriters, will visit the Fort Worth and Dallas classes preparing for the C.P.C.U. examinations. He will confer with students and prospective students in Fort Worth Feb. 27 and in Dallas Feb. 28. A dinner in his honor will be given in Dallas the night of Feb. 28.

### O'Beirne, Jr., Superintendent of Agents for Southern Department of Automobile

Edward N. O'Beirne, Jr., has been appointed superintendent of agents in the southern department of Automobile and Standard Fire in Atlanta. He is a son of the manager of the southern department.

Mr. O'Beirne, Jr., entered the navy in 1941 and held the rank of commander when discharged in September, 1945.

He was graduated from Georgia Tech in 1934 and then assigned to Atlanta for Aetna Life group in production and underwriting of reporting cover and special risk lines. Prior to entry into service he was special agent in Tennessee.

### N. C. Women's Assn. Meet in May

The North Carolina Association of Insurance Women will hold its annual meeting at the O'Henry Hotel at Greensboro, May 17-18.

### Owens to Wilson & Boozer

Hugh Owens has resigned as agency superintendent of the Dana Johnson general agency of Jacksonville, Fla., to take a similar position with Wilson & Boozer, Jacksonville general agents.

Mr. Owens attended Columbia and

New York University and in 1924 went with Sun as special agent in New York. In 1933 he became assistant superintendent of the country-wide brokerage department. He has been with the Johnson general agency since 1943.

### Greever Again at Helm of Texas Association

DALLAS—Will M. Keller, Palestine, vice-president of the Texas Association of Insurance Agents, who has been acting president due to the illness of President Richard H. McLarry, has undergone an emergency operation and is now in the Palestine Sanitarium. Since the by-laws of the Texas association do not provide for a third ranking officer, the directors

have authorized B. B. Greever, Wichita Falls, immediate past president, again to take over the duties of president, until either Mr. McLarry or Mr. Keller is able to again be active. It is believed that Mr. Keller will be confined to his home for some weeks after leaving the sanitarium.

The regional meeting in El Paso was attended by agents from a large territory of west Texas. Robert R. Smith, association director, who lives in El Paso, presided and was assisted by Secretary Drex G. Foreman. The El Paso



B. B. Greever

Dispute over cause of agents' strike continues.

### Maryland Dwelling Form Revision Hits Many Outbuildings

BALTIMORE—The Middle Department Rating Association has adopted the revised dwelling and contents form. It is similar to that now being put in force in the middle west, described in THE NATIONAL UNDERWRITER of last week.

The latest wording of the 10% optional extension clause on outbuildings is expected to affect a number of insureds owning country estates here. This section of the new form specifically excludes "structures used for mercantile, manufacturing or farming purposes."

### Need Specific Outbuilding Cover

With the introduction of the original dwelling and contents form in September, 1944, many owners of country estates were quick to take advantage of the provision permitting 10% of the dwelling coverage to apply to private structures "appertaining to the premises." This original 10% optional coverage had the effect of deflating the amount of specific coverage applicable to many items of a dwelling and outbuilding schedule.

Although many of the high value palatial estates were specifically rated at rates identical with farm rates, the main dwelling could not be denied the use of the broad form. An occupancy warranty did not solve the problem, which became further complicated in the application of extended coverage rates. An extremely high differential still exists as to extended coverage on outbuildings of such country estates compared with outbuildings of ordinary suburban dwellings.

Fire insurance on many estates written during the past 18 months will therefore require close review on renewal, because many outbuildings will need to be restored into schedules under the new form.

banks sent representatives to see the bank and agent auto plan film and discussed the possibilities of the cooperation between banks and insurance agents. The visiting agents and their wives were guests in Juarez. Bob Dean, Pecos, was selected as the regional chairman of the El Paso district.

### New Okla. Liquefied Gas Rules

T. J. Ellis, Oklahoma state fire marshal, has approved rules and regulations governing the handling and odorization of liquefied petroleum gases in the state. They include specifications and designs for construction of tanks and equipment, transportation, storage and dispensing.

### Neely Partner in Ball Agency

After 42 months in the navy, Ralph Neely has become a partner in the F. Wiley Ball Co. of Oklahoma City. Before entering service he had been with the Ball agency since 1937.

### NEWS BRIEFS

Charles C. Sherrod, Jr., recently discharged from service, has been appointed manager of the insurance department of the Henry Faw agency, Johnson City, Tenn.

The Insurance Women's Club of Oklahoma City has set Feb. 25 as "bosses day." There will be a dinner and special program.

The K. J. Cobb agency, Tallahassee, Fla., has been purchased by John E. Hunt, formerly north Florida representative of Travelers.

Robert Nutt, a memory expert, was the speaker at the February meeting of the Insurance Women of Birmingham.

## EASTERN STATES ACTIVITIES

### Maryland Dwelling Form Revision Hits Many Outbuildings

### Fisher Succeeds Premo as Hartford Insurance Advisor

HARTFORD—The board of contract and supply, headed by Mayor Moylan, has dismissed Alfred N. Premo as city insurance supervisor, a post he had held for 14 years, and unanimously appointed Herbert F. Fisher, Sr., as his successor. This was done despite Premo's offer to continue in the position without salary.

Fisher, a general insurance and real estate broker, is a former president of the board of aldermen and is father of Herbert F. Fisher, Jr., Republican alderman.

The board also dismissed J. W. Turner, city purchasing agent for 10 years, and elected Joseph H. Brady, a private insurance investigator and claims adjuster for Hartford Accident.

The Hartford Board of Fire Underwriters, of which Fisher is a member, favored Premo's retention.

It is expected the Premo plan of distribution of city insurance commissions, based on the contribution of individual agents in taxes, and copied in 62 other cities in the country, will be revised by the new Republican administration.

### April 11-12 Set for N. J. Agents Mid-Year

Plans for the New Jersey Association of Insurance Agents Mid-Year meeting April 11-12 are being arranged. The place has not yet been decided, but it will probably be in Trenton.

### Oppose Dividend Forfeiture Bill

BOSTON—Strong opposition developed before the Massachusetts legislative insurance committee to a bill that would compel fire companies to pay unclaimed or unapplied dividends into the state treasury if unclaimed after one year. It would apply to all dividends heretofore or hereafter declared. It was brought out that such unclaimed dividends are of no great magnitude; that the cost of determining them, in the previous years, would be heavy and that

confusion would be caused by payable to many. Toy Duffus, WASHINGTON, meeting of District of Columbia, Committee of Insurance Agents, a sound He is second on agency. At the an Insurance Association offices Frank J. Charles A. George, Herbert L. Director of the Insurance Club of Bloom Dispute over cause of agents' strike continues.

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of permitting the men to be treated by their own doctors and in their own local hospitals. That, he said, is very praiseworthy because the other procedure is to make the men the wards of government and of the state.

Dr. Fishbein declared that Roosevelt rejected compulsory sickness insurance in his first social security program and, as a matter of fact, he never advocated it. As soon as Truman came along, he brought out his five point program and went all the way for sickness insurance. Truman said this would require a small tax. As a matter of fact, the tax is 4% on the employee and 4% on the employer on the first \$3,600 of payroll. That is a total of \$288 per individual. He said the worker today can pay \$5 a month and get hospital and medical care for himself and his entire family, and \$3,000 life insurance under a group plan with splendid insurance companies.

#### Dead as a Dodo

The Wagner-Murray-Dingell bill, he said, is as dead as a dodo for the present session, but it has to be watched closely.

The doctors call the Wagner-Murray-Dingell scheme socialized medicine. Truman retorts that it is not socialism. Truman is simply dodging the issue, Dr. Fishbein said. Socialism is a social effort whereunder you divide a risk or a pleasure, he declared. That is why they call it social diseases. That stopped the show for about two minutes.

Truman claims that under his plan the individuals have a free choice of doctors.

That is not true, Dr. Fishbein said. Under the Truman plan the doctors would get together and vote on whether they would be paid on a per capita basis or according to a fee table set by the social security board, or whether they would organize themselves into companies and receive a salary. It is true that an individual would get a free choice of any doctor that lined up on this basis, but Dr. Fishbein said that only one-fourth of the most incompetent doctors would line up. Such a scheme would double the income of the worst doctors.

Dr. Fishbein said syphilis and gonorrhea will be knocked out as a hazard in this country in 25 years. This is not being done by money or police power or government, but by scientific discovery.

Harve Badgerow looked into his files in connection with this anniversary and discovered some interesting facts about the early days of the insurance federation. For instance, he found that the Illinois Federation was started in a sense in 1914. The first meeting was a small group and was held in the office of Wade Fetzer, now chairman of W. A. Alexander & Co. Those attending were Mr. Fetzer, George Gilbert of Employers Liability, George Webb of Conkling, Price & Webb, George Brennan of U. S. F. & G., and Mr. Badgerow.

The organization actually became an active factor in 1915 and Mr. Badgerow was elected its first president. He later served as president again for the years

1919 and 1920. In December of 1920 he succeeded Mr. Fetzer as president of the Insurance Federation of America.

In announcing the program at a press conference in Chicago, Dr. Fishbein said A.M.A. intends to enlist many plans under its banner which are already in existence, including those operated by insurance companies. These "outside" plans must meet the standards of the A.M.A. council on medical service and may then bear the A.M.A. seal of acceptance and take advantage of the full weight of association publicity which Dr. Fishbein indicated would be thrown into the program.

#### Details Later

Dr. Fishbein declared that details of the program including costs, benefits and standards are being worked out and will be ready for announcement within two weeks. He said that though premium charges will differ from section to section, the average cost per person would be less than the \$144 annual payroll deduction suggested by Truman.

#### Brief Press Conference

In an all too brief session, Dr. Fishbein, association officers and a public relations representative fended off a barrage of questions by reporters.

Asked if the A.M.A. has gone on record as being in favor of cash indemnity plans offered by the state or federal governments, Dr. Fishbein replied that the association's new plan was the answer to legislative pressure for the socialization of insurance and medicine, but that in certain cases compatible with maintenance of free enterprise, government aid might be needed.

To the question of why the A.M.A. has insisted upon working as a lone wolf in the fight against socialization rather than presenting a united front with insurance and other business interests, a public relations man stepped into the breach to say that Associated Medical Care Plans has as one of its expressed purposes working in concert with insurance companies and that the A.M.A. was aware of the need for working with other interests for the preservation of the system of free enterprise.

In answer to a charge that while the state association did yeoman work in California to defeat a proposed state medical care plan, it did nothing to block the cash indemnity plan now up for passage, Dr. Fishbein and his associates fled from the room to a "board of directors' meeting."

## Dineen Marshals His Arguments

(CONTINUED FROM PAGE 19)

states that one of the main objects of the National Association of Insurance Commissioners is to integrate practices in the states so as to produce a reasonable degree of uniformity. He cites the present annual statement blank as an example.

Immediate action is needed, Mr. Dineen asserts, because it will take several years of intensive work under a statute of this type before a system can be devised and put into practical operation. After Jan. 1, 1948, New York's performance in preventing unfair discriminations under the Robinson-Patman act will no longer exclusively concern the state, but Washington, too, will be watching the performance.

## UNIFORMITY VITAL

The superintendent can hardly discharge his duty of seeing that rates are not excessive, inadequate, unfairly discriminatory or otherwise unreasonable unless the figures of hundreds of companies are collected under a uniform classification of accounts as well as a uniform statistical plan.

Producers in the business have been complaining that due to the comingling

of other items with commission figures, the public is getting a distorted idea of their true compensation, Mr. Dineen asserts. It has been urged that many policies are being sold below cost because of inadequate provisions in the rate structure for office expenses incident to placing such policies on the books, which means, Mr. Dineen states, that other policyholders are paying more than their proportionate share. A satisfactory method of meeting this problem, the expense constant, is in use in some lines of business, and could be more widely used to correct existing inequities if there were adequate statistics. Uniform accounting would provide a foundation for adequate cost accounting research, he contends.

Long and painstaking efforts on the part of the department and the insurance companies will be required to make the law work, Mr. Dineen admits. He suggests that after factual research is completed the business and the department should establish joint machinery to get up workable classifications of accounts.

When loss or expense experience becomes unfavorable and increased rates are in order the company should not be required to go through a tug of war to get merit increases, he states, nor should the department have to do it to secure warranted reductions.

The superintendent comes out mildly in favor of multiple line underwriting by pointing out some of the inconsistencies of the present law which permits the writing of workmen's compensation and surety at the same time, but not fire and casualty. He suggests that there may be challenges to the existing policy of restricting fire and casualty companies to their respective field, either in the form of court tests or legislation.

To aid returned war veterans in qualifying for agents' brokers' and adjusters' licenses and relieving such applicants from complying with some requirements, the superintendent recommends several pieces of legislation.

The superintendent asks for legislative authority to disapprove an accident and health policy form or withdraw an approval previously given if it contains provisions unfair, misleading, or contrary to public policy. This is not intended to interfere with issue of limited forms. He asks that late proof be excused where it was not reasonably possible to furnish such proof.

The superintendent also recommended legislation that would permit any member or subscriber of a rating organization to appeal its action to the superintendent with power to affirm or reverse the action. This is to make the workings of such organizations "more democratic," and avoid creation of unnecessary rating bureaus, he states.

Some changes in existing examination procedure must be made. Mr. Dineen states, and the department already has set machinery in motion to make these effective. He points out that blanks used by life companies for years have contained valuable schedules not found in blanks used by other branches of the business. Had the fire blank contained appropriate schedules of this kind, the bribery payments in the Missouri rate case would have shown. Consequently, the department plans to inaugurate a series of conferences to improve the blanks and designed particularly to prevent occurrences similar to that which took place in Missouri, the report states. The department has the power to accomplish this purpose under existing law and therefore is not asking for further legislation. However, Mr. Dineen states that in the interest of uniformity it is essential that the efforts of New York be integrated with those of other states through the commissioners' committee on blanks.

He recommended that the provisions of the insurance law requiring use of itemized vouchers for all payments of \$100 or more and correctly describing the consideration for the payment be made applicable to all companies under department jurisdiction rather than life companies only as at present.

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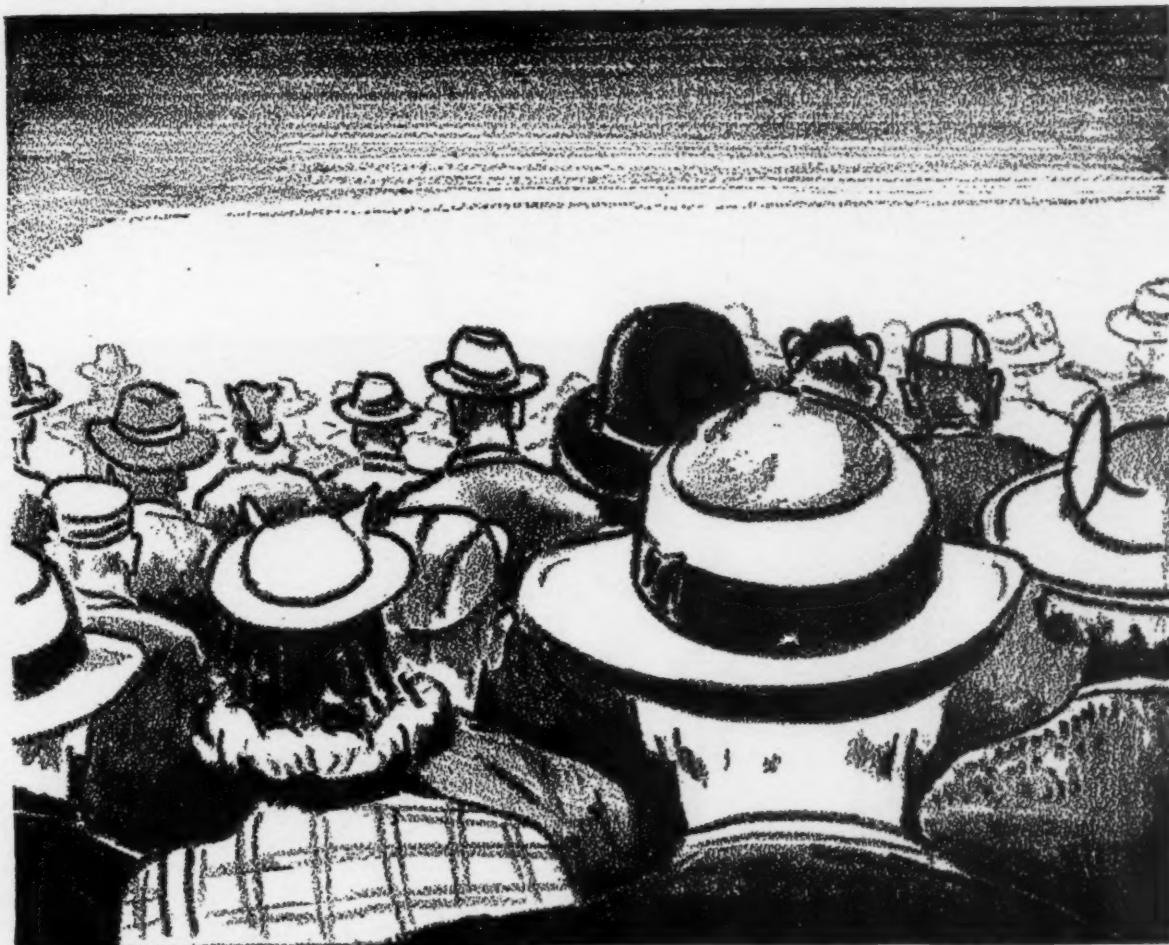
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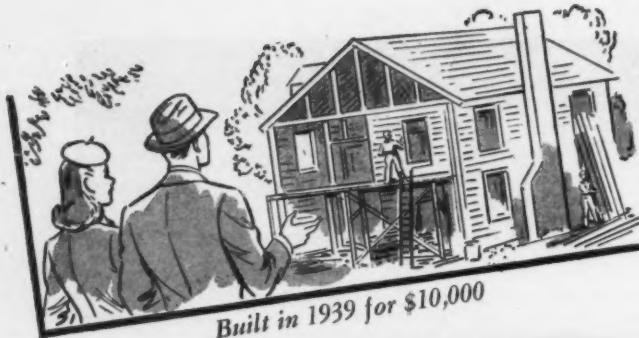
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